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City and County of San Francisco  
Meeting Minutes  
Finance and Labor Committee

City Hall  
1 Dr. Carlton B.  
Goodlett Place  
San Francisco, CA  
94102-4689

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

Wednesday, March 01, 2000

10:00 AM

City Hall, Room 263

Regular Meeting

Members Present: Leland Y. Yee, Tom Ammiano.

Members Absent: Sue Bierman.

Meeting Convened

*The meeting convened at 10:10 a.m.*

000087 [CEQA Findings - San Bruno Jail No. 3 Replacement Project]

Resolution endorsing the Planning Commission's certification of the Final Environmental Impact Report and adopting environmental findings (and a statement of overriding considerations) pursuant to the California Environmental Quality Act and State Guidelines in connection with the approval of a design-build finance contract and various other approvals related to the County Jail No. 3 replacement project. (Sheriff)

(Fiscal impact; Environmental Impact Report Addendum dated January 3, 2000; draft EIR published February 28, 1998; companion measure to File 000088.)

1/12/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

2/23/00, CONTINUED. Heard in Committee. Speakers: Micheal Hennessey, Sheriff; Mark Primeau, Director, Department of Public Works; Supervisor Yee; Ken Bruce, Budget Analyst's Office; Joanne Hoepfer, Deputy City Attorney; Monique Moyer, Mayor's Office of Public Finance; Jim Ruane, City Councilman, San Bruno, CA.; Chuck Zelnik; Carol Livingood; Annette Jacobs; Supervisor Bierman Continued to March 1, 2000.

*Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Monique Moyer, Mayor's Office of Public Finance; Mark Primeau, Director, Department of Public Works; Michael Hennessey, Sheriff; Supervisor Yee; Supervisor Ammiano. Opposed: Richard Handlen.*

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

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**000088 [County Jail No. 3 Replacement Project]**

Ordinance authorizing the Sheriff's Department, the Department of Public Works, the City Architect, the City Attorney's Office and the Mayor's Office of Public Finance to negotiate and enter into a design-build finance contract with Prison Realty Trust for the County Jail No. 3 replacement project. (Sheriff)

(Fiscal impact; Companion measure to File 000087)

1/12/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

2/23/00, CONTINUED Heard in Committee Speakers: Micheal Hennessey, Sheriff; Mark Primeau, Director, Department of Public Works; Supervisor Yee; Ken Bruce, Budget Analyst's Office; Joanne Hooper, Deputy City Attorney; Monique Moyer, Mayor's Office of Public Finance; Jim Ruane, City Councilman, San Bruno, CA; Chuck Zelnik, Carol Livingood, Annette Jacobs, Supervisor Bierman Continued to March 1, 2000.

*Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Monique Moyer, Mayor's Office of Public Finance; Mark Primeau, Director, Department of Public Works; Michael Hennessey, Sheriff; Supervisor Yee; Supervisor Ammiano. Opposed: Richard Handlen*

**AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.**

Ordinance authorizing the Sheriff's Department, the Department of Public Works, the City Architect, the City Attorney's Office and the Mayor's Office of Public Finance to negotiate a design-build contract with Prison Realty Trust for the County Jail No. 3 replacement project; subject to further Board of Supervisors approval. (Sheriff)

(Fiscal impact; Companion measure to File 000087)

**RECOMMENDED AS AMENDED** by the following vote:

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000242 [Appropriating funds to Gay and Lesbian Historical Society]**

Supervisors Leno, Katz, Ammiano, Bierman

Ordinance appropriating \$60,000 of General Fund Reserve for a one-time grant to the Gay and Lesbian Historical Society of Northern California, through the Mayor's Office, for fiscal year 1999-2000.

2/7/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Continued to March 8, 2000.*

**CONTINUED** by the following vote:

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000271 [Appropriating \$508,000, Trial Court, to pay for increased costs of indigent defense in adult criminal and juvenile delinquency cases]**

Ordinance appropriating \$558,000 from the General Fund Reserve to fund the increased costs of indigent defense in adult criminal and juvenile delinquency cases for the Trial Court for fiscal year 1999-2000, providing for ratification of action previously taken. (Controller)

(Fiscal impact.)

2/9/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Alan Carlson, Chief Executive Officer, Trial Courts; Supervisor Yee. The question was divided concerning \$50,000 for increase in hourly rate for investigators; see File 000383*

**DIVIDED.**

Ordinance appropriating \$508,000 from the General Fund Reserve to fund the increased costs of indigent defense in adult criminal and juvenile delinquency cases for the trial court for Fiscal Year 1999-2000, providing for ratification of action previously taken, placing \$254,000 on reserve. (Controller)

(Fiscal impact.)

*Amended to place \$254,000 on reserve.*

**RECOMMENDED AS DIVIDED** by the following vote:

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

- 000383** [Appropriating \$50,000, Trial Court, to pay increase in hourly rate for private investigators]  
Ordinance appropriating \$50,000 from the General Fund Reserve to fund an increase in the hourly rate for private investigators working through the court's Indigent Defense Program, providing for ratification of action previously taken, for Fiscal Year 1999-2000. (Controller)

(Fiscal Impact)

*Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Alan Carlson, Chief Executive Officer, Trial Courts; Supervisor Yee. Divided from File 000271.*

**DIVIDED.**

**CONTINUED TO CALL OF THE CHAIR** by the following vote:

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

- 000272** [Appropriating \$600,000 for the clean-up project to remove 2,000 tons of contaminated debris from the 17 acres of PUC-Water Department bayside property leased to Peninsula Sportman's Club]  
Ordinance appropriating \$600,000 of Water Fund balance to fund initial clean-up activities of San Francisco Public Utilities Commission Bayside property located west of the Dumbarton Bridge, for fiscal year 1999-2000. (Controller)

(Fiscal impact.)

2/9/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Steve Medberry, Public Utilities Commission; Rona Sandler, Deputy City Attorney; Ted Lakey; Deputy City Attorney; Supervisor Yee. Amended to place \$505,368 on reserve.*

**AMENDED.**

Ordinance appropriating \$600,000 of Water Fund balance to fund initial clean-up activities of San Francisco Public Utilities Commission Bayside property located west of the Dumbarton Bridge, for fiscal year 1999-2000; placing \$505,368 on reserve. (Controller)

(Fiscal impact.)

**RECOMMENDED AS AMENDED** by the following vote:

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

- 000273 [Appropriating \$507,025 for the 1999-2000 Joint Powers Board Caltrain Capital Plan]**  
Ordinance appropriating \$507,025 to General City Responsibility, payments to other governments, and rescinding \$507,025 from lease-purchase, to provide funds for San Francisco's share of the capital improvement budget at the Peninsula Corridor Joint Powers Board, for fiscal year 1999-2000. (Controller)
- (Fiscal impact.)  
2/9/00, RECEIVED AND ASSIGNED to Finance and Labor Committee  
*Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Mathew Hymel, Mayor's Office of Finance*  
**RECOMMENDED by the following vote:**  
Ayes: 2 - Yee, Ammiano  
Absent: 1 - Bierman
- 000244 [Appropriating \$1,788,089, Department of Elections, to off-set cost of 1999 December run-off, and to update voter files]**  
**Supervisors Newsom, Bierman**  
Ordinance appropriating \$2,300,097 (\$2,118,610 from the General Fund Reserve and \$181,487 from various governmental revenues) for salaries, fringe benefits, other current expenses, materials and supplies, and equipment for the Department of Elections for fiscal year 1999-2000. (Controller)
- (Fiscal impact.)  
2/7/00, RECEIVED AND ASSIGNED to Finance and Labor Committee  
*Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Naomi Nishioka, Department of Elections; Supervisor Yee; Ed Harrington, Controller; Supervisor Newsom* The question was divided concerning \$502,008 for new vote scanning system. See File 000384  
**DIVIDED.**  
Ordinance appropriating \$1,788,089 (\$1,606,602 from the General Fund Reserve and \$181,487 from various governmental revenues) for salaries, fringe benefits, other current expenses, materials and supplies, and equipment for the Department of Elections for Fiscal Year 1999-2000. (Controller)
- (Fiscal impact.)  
*Amended to reduce by \$10,000, as Department of Elections will not need to enter into contract with a phone bank service company for the March 7, 2000 election.*  
**RECOMMENDED AS DIVIDED by the following vote:**  
Ayes: 2 - Yee, Ammiano  
Absent: 1 - Bierman
- 000384 [Appropriating \$502,008, Department of Elections, for new Vote Scanning System]**  
Ordinance appropriating \$502,008 from the General Fund Reserve for temporary salaries, minor furnishings and equipment, for the new Vote Scanning System at the Department of Elections, for Fiscal Year 1999-2000. (Controller)
- (Fiscal Impact)  
*Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Naomi Nishioka, Department of Elections; Supervisor Yee; Ed Harrington, Controller; Supervisor Newsom* Divided from File 000244  
**DIVIDED.**  
*Continued to March 8, 2000.*  
**CONTINUED by the following vote:**  
Ayes: 2 - Yee, Ammiano  
Absent: 1 - Bierman

- 000235** [Approving the concession leases of Travelex America, Inc. to operate two (2) ATM facilities at the Airport, at a minimum annual rent for the first year of \$240,500 for each lease]  
Resolution approving two Automated Teller Machine Leases for the existing and New International Terminal Buildings between Travelex America, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)  
2/4/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.  
*Continued to March 8, 2000.*  
**CONTINUED by the following vote:**  
Ayes: 2 - Yee, Ammiano  
Absent: 1 - Bierman
- 000236** [Approving the concession lease of Travelex America, Inc. to operate a foreign currency exchange office at the Airport, at a minimum annual rent for the first year of \$4,127,500]  
Resolution approving the Foreign Currency Exchange Lease in the Existing and New International Terminal Buildings between Travelex America, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)  
2/4/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.  
*Continued to March 8, 2000.*  
**CONTINUED by the following vote:**  
Ayes: 2 - Ammiano, Yee  
Absent: 1 - Bierman
- 000268** [Approving the concession lease of Host International, Inc. for a specialty store and newsstand located at the North Terminal Hub of the Airport, at a minimum annual rent for the first year of \$2,550,000]  
Resolution approving the North Terminal Hub Principal Retail Concession lease between Host International, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)  
2/8/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.  
*Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Jon Ballesteros, Airport Commission; Supervisor Ammiano; Ted Lakey, Deputy City Attorney. Continued to March 8, 2000.*  
**CONTINUED by the following vote:**  
Ayes: 2 - Yee, Ammiano  
Absent: 1 - Bierman
- 000275** [Establishing monthly contribution to Health Service Trust Fund by City and County, Unified School District, and Community College District for fiscal year 2000-2001]  
Resolution establishing monthly contribution amount to Health Service Trust Fund. (Department of Human Resources)  
2/9/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.  
*Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Bart Duncan, Acting Deputy Director, Health Service System; Supervisor Yee.*  
**RECOMMENDED by the following vote:**  
Ayes: 2 - Yee, Ammiano  
Absent: 1 - Bierman

## ADJOURNMENT

*The meeting adjourned at 11:51 a.m.*



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Susan Hom

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BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

February 24, 2000

TO: Finance and Labor Committee  
FROM: Budget Analyst  
SUBJECT: March 1, 2000 Finance and Labor Committee Meeting  
Items 1 and 2 - Files 00-0088 and 00-0087

Note: This proposed ordinance and proposed resolution were continued from the February 23, Finance and Labor Committee meeting.

Departments: Sheriff  
Department of Public Works (DPW)  
City Architect  
Mayor's Office of Public Finance (MOPF)  
Planning

Item: File 00-0088: Ordinance authorizing the Sheriff's Department, the Department of Public Works, the City Architect, the City Attorney's Office and the Mayor's Office of Public Finance to negotiate and enter into a design-build/finance contract with Prison Realty Trust for the County Jail No. 3 Replacement Project.

File 00-0087: Resolution endorsing the Planning Commission's certification of the Final Environmental Impact Report and adopting environmental findings pursuant to the California Environmental Quality Act (CEQA) in connection with the approval of a design-build/finance contract for the County Jail No. 3 Replacement Project.

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**Description:**

**Background**

In May of 1991, an action was filed against the City (Jones v. City and County of San Francisco et al.) challenging that the conditions at County Jail No. 3 in San Bruno were in violation of constitutional requirements. The United States District Court concluded in 1997 that the Jail violated the United States Constitution. The District Court specifically found that the existing Jail posed health, fire safety and seismic risks. After several years of litigation, a settlement agreement was reached that resulted in dismissal of the plaintiff's action, so long as certain conditions are met by the City. These conditions include (a) the construction of a new jail facility; (b) the continuance of certain improvements made to County Jail No. 3 between July, 1997 and the present; and (c) improvements in the conditions at County Jail No. 3 on an interim basis, pending completion of a proposed new jail facility. The settlement agreement was approved by the Board of Supervisors in April of 1999. The City Attorney advised the Board of Supervisors at that time that, if the City decided not to proceed with the construction of a new jail, the proposed settlement agreement would be set aside and the lawsuit would proceed.

County Jail No. 3, located in San Bruno, San Mateo County, opened in 1932. Jail No. 3 housed a total capacity of 750 inmates until under the settlement agreement described above, the jail population was limited to no more than 551 inmates (the facility's original design capacity) at any one time in order to reduce overcrowding. Presently Jail No. 3 operates at the 551 inmate capacity allowed under the settlement agreement.

There have been two attempts to obtain voter approval for a General Obligation Bond issuance to fund a Jail No. 3 Replacement Project. In 1992, Proposition B proposed a \$158,100,000 General Obligation Bond issuance for the Jail No. 3 Replacement Project. The proposition failed as it required a two-thirds vote for approval and only received affirmative votes of 57.2 percent. In 1994, Proposition A, requesting voter approval for a General Obligation Bond issuance of \$196,000,000 also failed after receiving 54 percent of the votes.



*Selection of Proposed Contractor and Project Description*

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Attachment 1 to this report is a letter from Mr. Mark Primeau, Director of the DPW explaining the selection process for the proposed design-build/finance project contractor, Prison Realty Trust.

As stated in Attachment 1, the Department of Public Works issued a Request for Qualifications (RFQ) for the design-build/finance Jail No. 3 Replacement Project in February, 1997. Five respondents to the RFQ were "shortlisted" by an evaluation team consisting of DPW and Sheriff's Department staff on the basis of their qualifications and all five teams were approved by the Human Rights Commission.

A Request for Proposals (RFP) was issued in August, 1998 to the five firms found to be qualified by the RFQ process. Two proposals were received; one from Turner Construction Management Company, Inc. and a second from a team lead by Prison Realty Trust (PRT) as developer, and including Morris Diesel International Inc. (general contractor) and Kaplan McLaughlin Diaz (architects). Two selection panels were convened, the first to evaluate Technical/Administrative requirements including site, landscape, building design, project schedule, quality control program and MBE/WBE utilization. The second selection panel evaluated proposed project costs, lease costs and other factors related to financial risk or cost to the City. The selection panel that evaluated Technical/Administrative requirements was comprised of a DPW representative, a Sheriff's Department representative, and three outside experts in the design/construction field, according to Mr. Primeau. The selection panel evaluating proposed project costs was comprised of the Mayor's Director of Public Finance, two Deputy City Attorneys and two partners from the City's independent Financial Advisor for the Jail No. 3 Replacement Project (the firm of Stephens, McCarthy, Kuenzel and Caldwell, Ltd.).

The team lead by PRT received the highest total scores from 10 out of the 11 panelists on the two selection panels. The costs of the two proposals were \$185,000,000 for the Turner Construction Management Company proposal and \$158,500,000 for the PRT proposal.

After selection of the PRT team, negotiations began between the contractor PRT and the City represented by the Sheriff, DPW, MOPF, the City Architect and the City Attorney. The initial project scope called for over 400,000 square feet of construction including a 286,000 square foot jail housing building, and a 106,000 square foot Administrative/Services building. As noted above, the low bid of \$158,500,000 in response to the initial Jail No. 3 Replacement project RFP was submitted by PRT.

The Sheriff, DPW and MOPF determined that both proposals submitted for the proposed facility were too costly, and DPW and the City Architect entered into negotiations with PRT to reduce the scope and price of the project. The reduced scope project now provides for approximately 286,000 square feet of construction including a 207,000 square foot jail housing building, and a 62,000 square foot Administrative/Services building. Both the original project design and the reduced scope project design provide for a total of 384 two-inmate cells for a total prisoner capacity of 768 compared to the existing maximum capacity of Jail No. 3 of 750 and the capacity permitted under the settlement agreement approved by the Board of Supervisors in April of 1999 of 551. With these changes, the reduced scope project has been estimated to require a construction contract price of \$115,000,000, which is \$43,500,000 or 27.4 percent less than the low bid of \$158,500,000.

### *Terms of the Proposed Ordinance*

The proposed ordinance would authorize the City Attorney, City Architect, Mayor's Office of Public Finance, Sheriff's Department and DPW to complete negotiations with PRT and DPW would be authorized to enter into a negotiated contract with PRT, or its successor company by merger or acquisition, for the design-build/finance of the Jail No. 3 Replacement Project substantially in accordance with the following terms<sup>1</sup>:

- a. the total project cost of the contract with PRT for the design-build portion of the project would not exceed \$115,000,000; the City's in-house expenses for project management, construction management, support services and contract expenditures for demolition of the existing Jail would not exceed \$17,200,000. Therefore, the total PRT and City cost for the Jail No. 3

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<sup>1</sup> If PRT's ownership is changed because of merger or acquisition, the successor company would not be subject to separate legislative approval by the Board of Supervisors (See Comment 2).

Replacement Project would not exceed \$132,200,000. The proposed total project cost would be subject to change as described below. Attachment 2 to this report, supplied by Mr. Primeau, provides supporting detail for the PRT project cost of \$115,000,000 and Attachment 3 provides supporting detail for the City's project costs of \$17,200,000. According to Ms. Moyer, all funding for the total project cost of \$132,200,000 will be provided by proceeds from the issuance of Certificates of Participation (COPs) as described below.

- b. All construction contracts costing \$500,000 or more, including at least 80% of all labor, equipment, material, and supply subcontract costs, would be competitively bid to at least three qualified bidders for each subcontract bid package. Subcontracts would be awarded by PRT with the review and approval of the City (represented by the DPW project manager) based on a weighted scale of cost, achievement of Human Rights Commission goals and workforce availability.

The total Project Cost would be adjusted by the amount, if any, that the subcontract bids differ from the estimates upon which the proposed cost of \$115,000,000 is based. An amendment to the proposed ordinance submitted by the Director of Public Works at the February 23, 2000 Finance and Labor Committee meeting stipulates that the \$115,000,000 Project Cost is now defined as a "not-to-exceed" amount. (See Comment 3.)

- c. PRT would be responsible for providing all design and construction services necessary for receipt of an occupancy permit for a facility meeting or exceeding all design and specification requirements, all industry standards and all applicable codes and regulations.

The Project would be required to meet the program needs identified by the Sheriff and agreed upon between the two parties, including but not limited to the following:

- 384 cells each accommodating two prisoners,
- kitchen and eating facilities,
- medical and administration facilities and support services.
- PRT would provide all design consultants necessary for the design and construction and administration services through permitted occupancy and final project closeout. DPW would reserve the right to provide design or construction services

Memo to Finance Committee  
March 1, 2000 Finance Committee Meeting

through its own forces, in which case there would be an equitable reduction in fees paid to PRT for the project in order to reduce the total project costs to the City.

- d. The proposed cost of \$115,000,000 for the design-build portion of the project includes estimated amounts to be paid by PRT to its general contractor and design team, which amount would be adjusted after actual bids have been received on the subcontractor bid packages. The amount to be paid by PRT to its general contractor for supervision, overhead and profit, and to its architect for all design services as described herein, collectively, would be no more than 25% of the actual cost of construction of the Project. The total cost for the design-build portion of the Project would be adjusted accordingly from the proposed cost of \$115,000,000.
- e. PRT would produce a bid package schedule which minimizes the construction duration. It is estimated that construction would begin upon the issuance of a notice to proceed by the DPW and the facility would become operational in approximately 38 months.
- f. PRT would, at the City's discretion, re-design and re-bid subcontractor bid packages if the low bid for any subcontractor bid package exceeds the budgeted amount. The cost of re-design would be paid 50% by PRT and 50% from the re-designed bid package price.
- g. PRT would assume responsibility for all change orders which do not arise from DPW requested changes to the Project's program.
- h. PRT would assume responsibility for on-budget, on-schedule delivery of the Project regardless of its contractual agreements with parties other than the City. The Project would be completed within 38 months after the City issues the Project's notice to proceed.

PRT would assist the City in issuing Certificates Of Participation (COPs) to finance the costs of the Project, subject to separate Board of Supervisors approval. The proposed ordinance states that the maximum principal amount of COPs to finance the costs of the project is not expected to exceed \$166,000,000. However, Ms. Moyer states that the current estimated COPs issuance principal amount is now \$177,195,000 (See Project Financing, described below). COPs proceeds would

BOARD OF SUPERVISORS  
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finance the contract with PRT that is the subject of this ordinance, as well as the demolition of the existing Jail, which is contemplated to be carried out later under a separate contract. (Demolition of the existing Jail, at an estimated cost of \$3,250,000 is part of the City's anticipated Project cost of \$17,200,000. See Comment 5.)

If the City Architect and Director of DPW determined that they are unable successfully to conclude negotiations with PRT on terms that are in the best interest of the City, then the City Architect and Director of DPW are authorized to terminate negotiations with PRT and to enter into negotiations with the second-ranked proposer (Turner Construction Management Company) for a contract in substantial conformance with the provisions set forth herein. If such negotiations are not fruitful, then the City Architect and the Director of DPW are authorized to terminate negotiations with the second-ranked proposer and enter into negotiations with any other party whom they determine would offer the City the best opportunity to successfully negotiate a contract in substantial conformance with the provisions set forth herein (See Comment 6).

According to the proposed ordinance, the competitive bidding requirements and design-build procedural requirements of Administrative Code Chapter 6 shall not apply to this Project, and any requirement for the City to accept a substitute in place of specified material and/or equipment is waived. (See Comment 4 below). The proposed ordinance also states that art enrichment allocation requirement of the Administrative Code Chapter 3 does not apply to this project.

### ***Final Environmental Impact Report***

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A Final Environmental Impact Report ("FEIR") for the Jail No. 3 Replacement project was approved by the Planning Commission in July of 1998.

The FEIR as approved by the Planning Commission requires measures to mitigate significant effects on the environment. Such mitigation measures fall within the categories of transportation (traffic control), noise, air quality, utilities and public services, biological resources, hydrology and water quality, hazardous materials and cultural resources. Most requirements of the mitigation measures would be met by the proposed construction

contractor within the proposed PRT cost of \$115,000,000. DPW would be responsible for some requirements of the mitigation measures, as would the Sheriff's Department. The costs of meeting such mitigation measures during the proposed construction project would be paid from the City's \$17,200,000 portion of the project as outlined in Attachment 3. Such costs include:

Site hazardous materials and environmental issues monitoring	\$1,831,363
Demolition hazardous materials mitigation	1,500,000
Sheriff's Department costs <sup>2</sup>	<u>250,000</u>
Total Mitigation Measures	\$3,581,363

### Project Financing

As noted previously, the anticipated total project cost for the Jail No. 3 Replacement Project, including \$115,000,000 for the PRT contract and \$17,200,000 for City costs, is \$132,200,000. As previously noted, all project costs will be funded from the net proceeds of an issuance of Certificates of Participation (COPs) in the anticipated amount of \$177,195,000 (the current estimate, which is \$11,195,000 more than the \$166,000,000 COPs principal amount specified in the proposed ordinance).

The use of Certificates of Participation (COPs) is a method of financing that provides long term funding through a lease or installment sales agreement. COPs represent proportionate interests in the lease of the Jail No. 3 Replacement Project property, which are sold to investors. The investors would receive a return on their investment through annual lease payments made by the City for the land and building. The City would assign its rights to purchase the land, together with the building thereon, to a financial institution, as trustee, and lease the land and building back from the financial institution at an annual amount sufficient to service the debt on the COPs purchased by the investors. At the end of the term (currently anticipated to be 30 years), the trustee would transfer fee title to the land and building back to the City.

The COPs method of financing is proposed because previous attempts to achieve voter approval of General Obligation Bonds to finance the Jail No. 3 Replacement Project in 1992 and 1994 have

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<sup>2</sup> Sheriff's costs include community notification, additional security, vehicle and traffic control, and emergency coordination and response plans.

Memo to Finance Committee  
March 1, 2000 Finance Committee Meeting

failed. COPs financing is a less economical method of financing compared to the use of General Obligation Bonds. Interest rates are higher for COPs than General Obligation Bonds, resulting in higher debt service requirements. Also, because the City is forbidden by law from paying lease payments prior to completion of the construction project for Jail No. 3, capitalized interest payments on the COPs during the period of construction requires a larger debt issuance than would be necessary with General Obligation Bonds.

Based on an anticipated interest rates of 6.6 percent for a General Obligation Bond and anticipated interest rates of 7 percent for a COP issuance, the Mayor's Office of Public Finance estimates that the cost of this project will be \$190,611,785 more using the COPs than if General Obligation Bonds were available to finance the Project<sup>3</sup>. This difference in total cost is due to the higher interest rates for COPs and the need to fund capitalized interest costs during the period of construction using COPs financing instead of a General Obligation Bond financing.

Ms. Moyer provides the following current estimate of sources and uses for the funding of the proposed project and related financing costs.

Sources of Funds

Certificates of Participation Proceeds	\$ 177,195,000
Interest earnings	<u>13,906,133</u>
Total Sources	\$ 191,101,133

Uses of Funds

COPs issuance costs	\$ 6,342,094
Bond Insurance	3,489,791
Capitalized Interest <sup>4</sup>	34,784,555
Debt Service Reserve Fund	14,284,693
PRT Contract	115,000,000
City Project Costs	<u>17,200,000</u>
Total Uses	\$ 191,101,133

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<sup>3</sup> The estimate for a comparable General Obligation Bond financing assumes a par amount of \$129.8 million at 6.6 percent, an average annual payment of \$10,341,723 (including use of a debt service reserve for the final payments) and gross debt service of \$237,859,645 over 23 years.

<sup>4</sup> During the construction of the project, the City cannot make lease payments on the new facility until the City has beneficial use of the new Jail. Therefore, interest payments during the period of construction must be paid from the proceeds of the sale of the COPs.

Ms. Moyer estimates that if the COPs were issued today, the interest rate on the debt would be six percent. However, Ms. Moyer anticipates that interest rates may rise by approximately one percent before issuance of the COPs. Based on the assumed increase in interest rates to seven percent, the annual lease payments by the City to pay debt service on the COPs will be approximately \$14,282,381 for a period of 30 years for total lease payments of \$428,471,430. Once the debt has been fully repaid by the City through its annual lease payments, the City will take full ownership of the Jail from PRT. The life expectancy of the new Jail facility is expected to be 50 years.

Lease payments of \$14,282,381 annually, totaling \$428,471,430 over the 30 term of the debt, to pay debt service on the COPs will be a General Fund expenditure.

- Comments:**
1. If this proposed ordinance is approved by the Board of Supervisors, Board of Supervisors approval of future legislation will be required prior to the actual start-up of the Jail No. 3 Replacement Project. First, legislation authorizing the issuance of Certificates of Participation in the currently anticipated amount of \$177,195,000 (subject to negotiation with Bond insurers and underwriters, and review by rating agencies) will be submitted to the Board of Supervisors. Second, proceeds from the sale of COPs will be subject to separate appropriation approval by the Board of Supervisors.
  2. As previously mentioned, if PRT's ownership is changed because of merger or acquisition, the successor company would not be subject to separate legislative approval by the Board of Supervisors. Accordingly, and as further explained in Comment 6 below, the Budget Analyst recommends that the ordinance be amended so that the final negotiated contract with PRT, or its successor company, or any other company, be subject to final approval by the Board of Supervisors.
  3. As noted above, an amendment to the proposed ordinance submitted by the Director of Public Works at the February 23, 2000 Finance and Labor Committee meeting stipulates that the \$115,000,000 Project Cost is now defined as a "not-to-exceed" amount. Therefore, the total Project Cost for construction performed by PRT can only decrease, depending on the outcome of competitive bids for subcontracts costing \$500,000 or more, but cannot increase as a result of such competitive bids.



4. According to Mr. Randall Parent of the City Attorney's Office, the section of the proposed ordinance that waives competitive bidding requirements and design-build procedural requirements of Administrative Code Chapter 6 is necessary because of the lengthy period that has elapsed during negotiations between representatives of the City and PRT and, more importantly, the significant change in the scope of the work that resulted from the negotiations. The RFP sought proposals for a jail project that is significantly different from the project now proposed. According to Mr. Parent, without this ordinance, the City would need to reject all proposals and issue a new RFP in order to comply with the design-build requirements of Chapter 6. Mr. Parent adds that it would not be in the best interests of the City to re-bid the project in light of the significant amount of work invested in re-designing the project and the time pressures facing the City to meet the terms of the Jones settlement agreement. Accordingly, the City Attorney has advised DPW and the Sheriff to submit this separate ordinance to the Board of Supervisors for approval of the process used to negotiate this design-build project, which requires waiving the competitive bidding requirements and design-build procedural requirements of Administrative Code Chapter 6.

5. As previously mentioned, the proposed ordinance specifies that COP proceeds would finance the contract with PRT that is the subject of this ordinance, as well as the demolition of the existing Jail, which is required to be carried out later under a separate contract. However, the COPs proceeds are expected to fund both the PRT contract in the anticipated amount of \$115,000,000 and all City costs in the anticipated amount of \$17,200,000, including demolition of the existing Jail at a cost of \$3,250,000. Therefore the proposed ordinance should be amended in accordance with Recommendation 2 below so that the proposed ordinance states that all project costs will be funded from COP proceeds.

6. Because the Board of Supervisors would not be required to approve the final contract for construction of the proposed project due to the waiver of Administrative Code Chapter 6, the Budget Analyst recommends that the proposed ordinance be amended to provide for specific Board of Supervisors approval of the final contract agreement with the design-build/finance contractor.

7. The Budget Analyst notes that several new County Jails built in California have been partially justified by reduced operational costs for the new, more efficient facilities, including Los Angeles County, San Diego County and Santa Clara County. Also, the Sheriff's budget currently includes over \$2,800,000 in annual operating expenses attributable to the lawsuit against the City and the resulting settlement agreement concerning the operation of the current Jail No. 3. However, Attachment 4 to this report is a letter from Ms. Jean Mariani, Budget and Program Manager of the Sheriff's Department that states that the Sheriff anticipates no operational savings would be available to offset the estimated \$14,282,381 in annual lease payments to pay off the COPs for the new Jail. According to Ms. Mariani, it is the opinion of the Sheriff that the new facility must be operated with substantially the same level of staffing as the current Jail No. 3, but that the cost per inmate housed in the new facility will decrease because the total Jail population capacity will increase from the current level of 551 inmates to a capacity of 768 inmates.

8. At the request of the Finance and Labor Committee, the Mayor's Director of Public Finance is preparing alternative financing scenarios for presentation to the Committee at its meeting of March 1, 2000. However, as of the writing of this report, the current estimate for the maximum principal amount of COPs to finance the costs of the project is \$177,195,000 instead of \$166,000,000 as specified in the proposed ordinance. Consequently, the Budget Analyst recommends that the proposed ordinance be amended to reflect the revised maximum principal amount of the anticipated COPs issuance. (See Recommendation 3.)

9. The Finance and Labor Committee has also requested further details on the provisions to be included in the final contract with PRT. According to Mr. Primeau, the DPW intends to include appropriate provisions for liquidated damages and penalty clauses in order to assure that work will be performed in a timely manner according to agreed upon specifications. However, such details have not been fully discussed and finalized at this time.

Mr. Primeau also notes however, that agreement on a guaranteed maximum contract cost of \$115,000,000 protects the City against potential construction cost overruns.

10. Finally, the Finance and Labor Committee has requested a further examination of projected operating costs for the new Jail in order to identify potential savings that could contribute to the payment of debt service for the construction financing. The Sheriff continues to maintain that his projection of operating costs at the new facility is substantially the same as current operating costs at Jail No. 3.

The Budget Analyst notes however, that facilities maintenance expenditures for Jail No. 3, amounting to \$525,000 annually, should become minimal once the new Jail is operational. Also, the need for staffing will largely depend on the future inmate population for the City's jail system as a whole. If, for example, the new Jail were to operate with a population of approximately 600 inmates, or 49 inmates more than the current maximum population of 551, the annual operating costs could be reduced by approximately \$1,100,000 due to reduced staffing requirements based on a review of the Sheriff's Department's detailed staffing projections. The Sheriff notes however, that currently, between 550 and 600 sentenced individuals participate in Jail Alternative programs. Future changes to court policies or future legislation, could decrease that number and therefore increase the number of inmates that must be housed.

The Budget Analyst acknowledges that future Jail operating costs will depend on the number of inmates that must be housed as well as the operating requirements of a new jail facility. Therefore, a detailed, independent review of such operating requirements should be performed prior to the completion of the Jail No. 3 Replacement Project.

- Recommendations:**
1. In accordance with Comments 2 and 6 above, amend the proposed ordinance to require that the final contract agreement for the design-build/finance Jail No. 3 Replacement Project, including any contact with a successor company to PRT or any other design-build contractor, shall be submitted to the Board of Supervisors for approval.
  2. In accordance with Comment 5 above, amend Section 3 of the contract (page 5, lines 18 through 21) to read as follows:  
  
"Consistent with the Project analyzed in the FEIR and the Addendum, the Board intends that the Certificates of Participation will finance the design-build portion of the Project under the contract with PRT, for all project costs in the anticipated amount of \$115,000,000, that is the subject of this ordinance, as well as all City Project costs in the anticipated amount of \$17,200,000 including the demolition of the existing Jail, which is contemplated to be carried out later under a separate contract.
  3. In accordance with Comment 8 above, amend page 5, line 18 of the proposed ordinance to substitute \$177,195,000 for \$166,000,000 as the maximum principal amount of COPs to finance the costs of the project.
  4. Approval of the proposed ordinance, as amended, and approval of the proposed resolution are policy matters for the Board of Supervisors.



Willie Lewis Brown, Jr., Mayor  
Mark A. Primeau, Architect, AIA, Director



Department of Public Works  
Office of the Director  
City Hall, Room 348  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4645

February 8, 2000

Mr. Ken Bruce  
Budget Analyst Office  
1390 Market Street  
San Francisco, CA

Re: San Bruno County Jail No.3 Replacement Project

Dear Mr. Bruce: *Ken*

Ken, I am following up on our discussion yesterday regarding information on the Jail project. Attached to this memo are cost matrices for (1) MDI project implementation costs totaling \$115 million and (2) City project costs totaling \$17.2 million.

**BACKGROUND**

County Jail No. 3 Replacement Project  
Design Build Finance Team Selection Process

Phase I: Issuance of the Request for Qualifications and the Selection of a "Shortlist":

On February 27, 1997, the Department of Public Works issued a Request for Qualifications (RFQ) to solicit Design Build Lease teams interested in providing design, construction and financing services for a replacement facility for County Jail No. 3 in San Mateo County. This RFQ set forth goals for the project and defined the team selection process. General Contractors, Architectural or Architectural/Engineering (A/E) firms demonstrating expertise in the design and construction of correctional facilities and the ability to meet schedule and budget requirements were encouraged to apply. Financing plans were to include a description of the method of financing, guarantee provisions and an explanation of potential financial risks to the City and County of San Francisco.

On March 10, 1997, an addendum to this RFQ was issued detailing the requirements of the Human Rights Commission MBE/WBE subconsultant goals for the A/E team. MBE goals were set at 20% and WBE goals at 7%. Two Orientation Conferences and a Site Visit were held prior to the receipt of qualification packages.



Mr. Ken Bruce  
2/08/2000  
Page 2

On March 27, 1997, responses were received from six Design Build Finance teams. These packages were reviewed by a selection panel comprising of staff of the Sheriff's Department, DPW, the City Attorney's Office, the Mayor's Office of Public Finance and the City Architect from the City of Oakland. Key selection criteria included experience in the design build project delivery method, team qualifications, management ability and specific experience in the design and construction of projects similar in size and complexity. Oral presentations were held with all six teams.

Five teams were shortlisted on the basis of qualifications and all five teams were approved by HRC.

#### Phase II: Issuance of a Request for Proposal (RFP)

In August 1998, the Project Criteria Package detailing Design and Finance requirements was distributed to the five shortlisted teams. Prior to this, the Design Build Finance ordinance was passed by the Board of Supervisors and the EIR for the project was certified. A presentation on financial issues was held by the City on September 2, 1998.

#### Receipt of Proposal and Selection Process

On December 7, 1998, proposals were submitted by two Design Build Lease teams:

1. Turner Construction Company Inc./DMJM (TCCI DMJM), and
2. Prison Realty Trust/Morse Diesel Intl. Inc./Kaplan McLaughlin Diaz (PRT/MDLKMD).

Two selection panels were convened to independently evaluate the proposals. One panel reviewed Technical and Administrative requirements for which a total of 80 points was allocated. This review covered Site, Landscape, Building Design, Project Schedule Quality Control Program and MBE/WBE utilization.

The second panel evaluated the Cost of Proposal for which a total of 120 points was allocated. Selection criteria included Project costs, Lease costs and other factors relating to risk or cost to CCSF.

The team of PRT/MDLKMD received higher scores from 10 out of the 11 panelists. The team was therefore designated the Highest Ranked Proposer. In February 1999, negotiations commenced with this team.

Mr. Ken Bruce  
2/8/00  
Page 3

### COST SAVINGS

During the negotiation, the City team ( DPW, City Attorney, City Architect, Sheriff, Mayor's Office) focused on reducing the cost of the project. Several cost saving elements were achieved without negatively effecting the integrity of the Sheriff's program or operational use of the facility. The overall size of the facility was reduced to 280,000 sq. ft from approximately 400,000 sq. ft. This was accomplished by fine tuning the program to change the function of the kitchen from a system wide service to an on-site service facility. Other cost saving elements included a direct adjacency of the recreation area to the housing pods thereby eliminating the need for unnecessary circulation space and providing for greater control and supervision by Deputies. The circular geometry of the Housing pods was developed to allow for greater visual access into the holding cells. The tighter configuration also reduced the area of structure, foundation walls and footings, resulting in less construction costs.

### DESIGN TEAM GOALS

The design team M/WBE goals for the project are 20% and 7% respectively. Referring to attachment #3 the design team reflects HRC participation of 46.6 %, MBE 39%, and WBE 7.6%.

### ADDITIONAL COST CONTROL PROTECTIONS

The Ordinance was carefully developed to provide the City with three primary cost control mechanisms: competitive subcontracting bids over \$500,000; a re-design/re-bid procedure to contain subcontracting costs; and strict language prohibiting material/product substitutions.

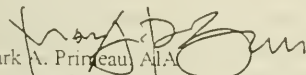
Competitive bidding of critical building component such as the mechanical, electrical, plumbing, security, fire/life safety, and structural systems represent 80% of the estimated construction cost. The City team selected the \$500,000 threshold as a method to focus attention on the major divisions of workscope of the project.

The DPW Project Manager will work closely with the contractor, Human Rights Commission, Sheriff's Department, Mayor's Office, and City Attorney in the preparation of subcontract bid packages and bidding process. Once the lowest responsive subcontractor's bid is determined, the Project Manager will recommend acceptance of the lowest responsive bid to the City Engineer. A contract modification authorized by the Director of Public Works will be issued to the Developer, Prison Realty Trust, and it will serve as the award of contract to the subcontractors.

### PROJECT TIMELINE:

Upon approval of the Ordinance by the Board of Supervisors, a 36 month schedule is anticipated after a contract is negotiated and a notice to proceed is issued by the Director of Public Works.

Sincerely,

  
Mark A. Primeau, AIA  
Director of Public Works



**County Jail #3**  
**Project Cost Estimate**  
**2/8/2000**

Description	MDI Estimate
<b>Subcontractors</b>	
Division 2 - Sitework	8,094,838
Division 3 - Foundations	12,370,641
Division 4 - Masonry	4,180,446
Division 5 - Metals	3,888,037
Division 6 - Wood & Plastic	1,361,705
Division 7 - Thermo/Moisture Protection	2,020,638
Division 8 - Doors & Windows	9,109,597
Division 9 - Finishes	4,437,041
Division 10 - Specialties	1,900,664
Division 11 - Equipment	2,145,794
Division 12 - Furnishings	26,420
Division 13 - Special Construction (incl. Design cost for Sec. Elec. & Sprinklers)	5,288,393
Division 14 - Conveying Systems	978,709
Division 15 - Mechanical (incl. Design cost for Mechanical Systems)	15,900,898
Division 16 - Electrical (incl. Design cost for Electrical Systems)	13,739,703
Subtotal	\$86,441,522
Subcontractor Bonds	808,478
<b>Total Subcontractors Cost</b>	<b>\$86,250,000</b>
<b>Design</b>	
KMD Design	7,000,000
<b>Total Design Cost</b>	<b>\$7,000,000</b>
<b>Bonds/Insurance/Permits</b>	
MDI Bond	1,050,000
Permits	525,000
Builders Risk Insurance	222,348
Professional Liability Insurance	198,500
General Liability Insurance	1,029,500
Gross Receipt Tax	346,500
<b>Total Bonds/Insurance/Permits</b>	<b>\$3,382,848</b>
<b>MDI</b>	
General Conditions/Fee	18,367,152
<b>Total MDI Cost/Fee</b>	<b>\$18,367,152</b> ✓
<b>Total</b>	<b>\$115,000,000</b>

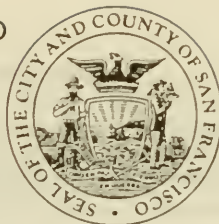


## San Bruno Jail Replacement - City Costs

1	Peer Review (Estimated): Provide design review during planning/design phase to insure compliance with program requirements. This task will be performed by consultants with expertise in prison design.				\$500,000
2	Testing, Inspection & Contract Administration: Materials Testing (Estimated): Provide testing of materials such as soils, concrete, reinforcing steel, welding and other testing specified in the contract.				\$350,000
	Inspection: Provide inspection and construction administration services to insure work is in compliance with contract documents.				\$3,769,219
	<u>Class</u>	<u>Cost/Hour</u>	<u># of Hrs</u>	<u>Subtotal</u>	
	5208 Civil Engineer	105.05	6,500	682,825	
	5206 Associate Engineer	90.75	6,000	544,500	
	5204 Assistant Engineer	77.55	5,000	387,750	
	5238 Assoc. Elect. Engr	90.75	3,500	317,625	
	5254 Assoc. Mech. Engr	90.75	3,500	317,625	
	5268 Architect	106.70	4,000	426,800	
	6348 Electrical Inspector	96.11	3,750	360,422	
	6342 Plumbing Inspector	96.11	3,750	360,422	
	1446 Secretary II	59.40	6,250	371,250	
3	Site Hazardous Materials Mitigation & Environ. Issues Monitoring (Estimated):				\$500,000
4	Project Management: Provide project management and technical support services to insure project is completed on schedule and within budget.				\$1,831,363
	<u>Class</u>	<u>Cost/Hour</u>	<u># of Hrs</u>	<u>Subtotal</u>	
	5508 Project Manager IV	152.90	7,000	1,070,300	
	5504 Project Manager II	112.75	6,750	761,063	
5	Construction Management (As Needed Scheduling & Estimating):				\$500,000
6	Regulatory fund & City Contingency:				\$6,000,000
7	Demolition:				\$3,250,000
	Hazardous Materials Mitigation (Estimated)			1,750,000	
	Demo Existing County Jail			1,500,000	
8	Other City Departments:				\$500,000
	City Attorney's Office			250,000	
	Sheriff's Department			250,000	
Total					\$17,200,581

# City and County of San Francisco

## OFFICE OF THE SHERIFF



Michael Hennessey  
SHERIFF

415 - 554 - 7225

February 10, 2000  
Ref.: BPM 00-008

Mr. Ken Bruce  
Budget Analyst's Office  
1390 Market Street  
San Francisco, CA 94102

Dear Ken:

This letter responds to two issues you raised in your review of the proposed new jail at San Bruno. I have discussed your questions with the Sheriff and his position is as follows:

First, you inquired as to whether the proposed capacity of the new jail (768 beds compared to the current 550 beds in County Jail #3) will create "excess capacity" and therefore possible operational savings by allowing us to close other facilities in whole or part.

Currently, the San Francisco County jails do not have sufficient capacity to house all the prisoners committed to custody. Not only are there approximately 100 persons sleeping on the jail floors today, but there are over 600 convicted prisoners not in-jail custody at all, serving sentences in jail alternative programs. The ability to house prisoners committed to the Sheriff's custody will be enhanced by the new jail.

Additionally, it is generally less safe to operate a jail at 100 percent capacity. National standards suggest that at 80 percent capacity, a jail can more safely house classes of prisoners who must be separated for safety purposes.

Ken Bruce  
Budget Analyst's Office  
February 10, 2000  
Page 2

This new facility will not open for more than three years. Although no one can predict the future, the accompanying graph shows that the San Francisco County jail population has consistently grown over the past several decades. Using any available data, one would have to conclude that the jail population will continue to grow over the next three years.

Second, you questioned whether there would be potential operational savings from a modern jail facility. You point to Santa Clara, Los Angeles, and San Diego counties, which identified savings achievable by reduced staffing in their new jail facilities.

Our preliminary staffing analysis determined that we might be able to operate the new facility, which will house 218 or 40 percent more prisoners than the existing jail, without a significant increase in staffing. The existing CJ#3 is a linear jail; the new facility is a direct supervision jail. There is generally limited staff interaction with prisoners in linear jails; direct supervision jails are designed to promote a much higher level of interaction, which, due to its nature and intensity, requires more staff to properly and safely manage such housing.

Much of the savings in new jail construction is due to the philosophy of taking all "goods and services" to the prisoners in their housing units. This reduces the number of movement deputies, as well as the need for fixed posts in program, visiting, and medical areas. Each housing unit is built to include classrooms, medical offices, and visiting rooms. The housing units in San Francisco's proposed new jail facility are not. There is, in fact, significant movement required to manage the prisoners in the new facility.

As originally designed, the new facility would have included a system-wide kitchen which would have resulted in savings by cutting duplicate functions in other San Francisco County jails. To reduce construction costs, this was eliminated in the proposed design, which then eliminated any potential savings from the proposed functional consolidation.

Ken Bruce  
Budget Analyst's Office  
February 10, 2000  
Page 3

Non-personnel savings are also difficult to quantify, because the existing jail facility is so old and dilapidated, while the proposed new facility will be built to current building, electrical and mechanical codes. The new facility will include many more electrical and electronic devices and will also have a real heating, fire suppression, smoke removal, ventilation, and air exchange system. These could increase utility costs beyond our current spending rate. We do, however, expect to reduce our duct tape expenditures significantly.

I hope this addresses your concerns in this matter.

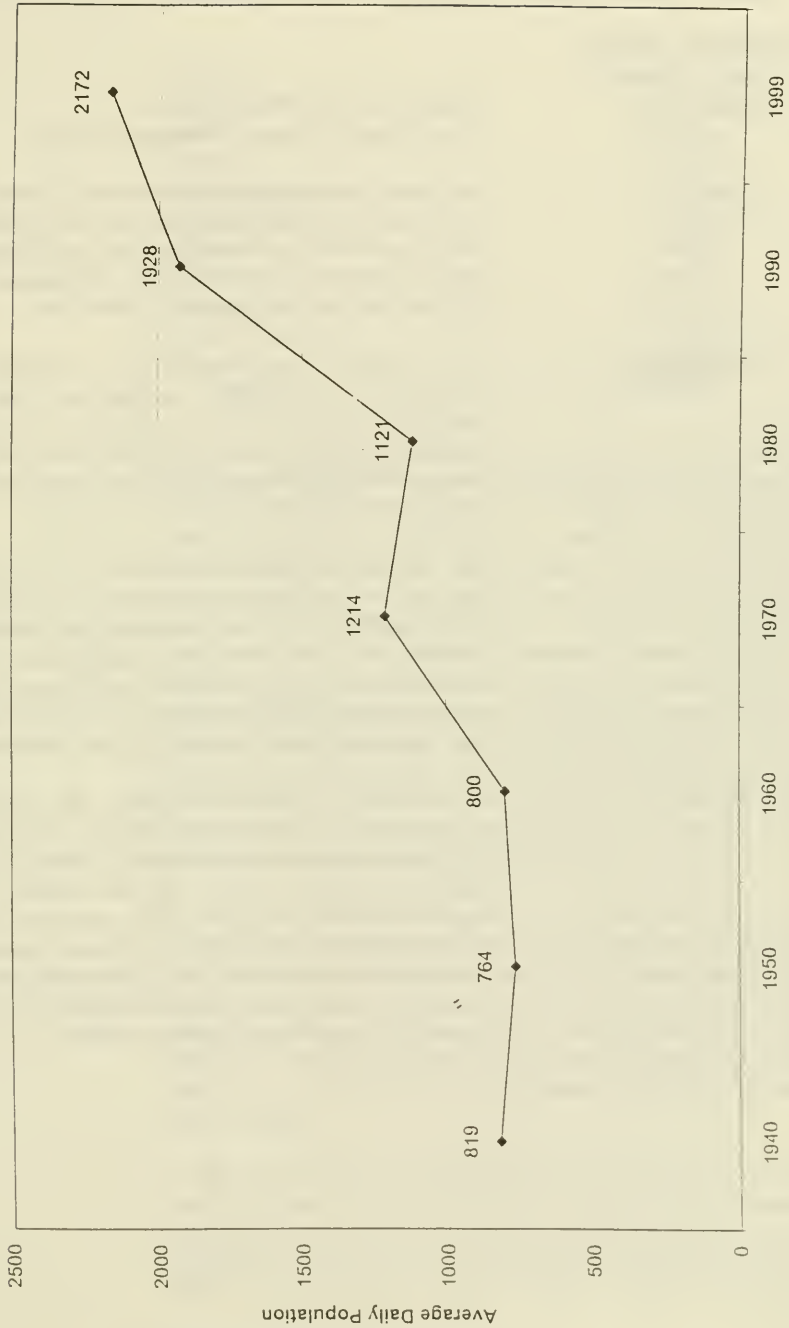
Sincerely,



Jean Mariani  
Budget & Program Manager

Enclosure

# San Francisco County Jail Population



Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

Item 11 – 00-0275

**Department:** Health Services System (HSS)  
Department of Human Resources (DHR)

**Item:** Resolution establishing the monthly contribution amount to be made to the Health Services Trust Fund by the City and County of San Francisco, the San Francisco Unified School District, and the San Francisco Community College District for Fiscal Year 2000-2001.

**Description:** The proposed resolution would establish the dollar amount of the employer's contribution to be made to the Health Service Trust Fund by the City and County of San Francisco (City), the San Francisco Unified School District (SFUSD), and the San Francisco Community College District (SFCCD) for FY 2000-2001.

The Health Services Board and the City and County Health Service System, as required by Charter Sections A8.423 and A8.428, have surveyed the ten most populous counties in the State (excluding San Francisco) to determine the average dollar contribution made by these counties toward each employee's medical care insurance (not including dental and optical care insurance).

In accordance with the Charter, this resolution would establish the FY 2000-2001 monthly contribution rate for health care insurance to be paid by the City, the SFUSD, and the SFCCD, at \$192.23 per month, or \$2,306.76 annually, for each eligible, active employee, based on the survey results of the average payment made by the ten most populous counties in California, excluding San Francisco, as shown in the table on the following page in order of most to least populous county:

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

<u>County</u>	<u>Average Contributed Monthly Amount</u>
Los Angeles	\$217.15
San Diego	153.84
Orange	255.24
Santa Clara	190.36
San Bernadino	176.86
Riverside	183.69
Alameda	186.87
Sacramento	\$198.12
Contra Costa	174.53
Fresno	<u>185.67</u>
Total	\$1,922.33

According to HSS, the ten-county survey for FY 2000-2001 indicates that the average employer contribution of the ten most populous counties in California (excluding San Francisco) is \$192.23 per month, or \$2,306.76 annually, per employee, not including dental and optical care insurance. The City's current FY 1999-2000 contribution is \$180.85 monthly or \$2,170.20 annually, per employee. The proposed resolution would establish \$192.23 as the monthly per employee contribution to be made in FY 2000-2001 by the City, SFUSD, and SFCCD for the health insurance costs of their employees. The proposed monthly rate of \$192.23 for FY 2000-2001 represents an increase of \$11.38 per month or approximately 6.3 percent from the \$180.85 monthly rate currently contributed in FY 1999-2000.

**Comments:**

1. The City's budget preparation system used by the Controller to compile the City's annual budget calculates the Health Service System costs for all funded positions. Ms. Peg Stevenson of the Controller's Office informs that the calculated cost of the increase in contributions for FY 2000-2001 is \$2,978,846 for General Fund supported positions and \$3,863,650 for all funded positions in the City's budget.



2. As previously noted, the City's contribution for health care coverage in FY 2000-2001 is equal to the average contribution of the ten most populous counties in California, excluding San Francisco, as determined by an HSS survey taken in January 2000. Given that the



Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

surveyed counties may subsequently increase or decrease their actual contributions for FY 2000-2001, San Francisco's contribution may, in fact, be greater or less than the actual average contributions to be provided by the ten counties in FY 2000-2001. However, because HSS is required by the Charter to collect the comparative data in January of each year, HSS is not able to set its FY 2000-2001 rates based on the final FY 2000-2001 rates of the other ten surveyed counties.

**Recommendation:** Approve the proposed resolution.

  
 Harvey M. Rose

cc: Supervisor Yee  
Supervisor Bierman  
President Ammiano  
Supervisor Becerril  
Supervisor Brown  
Supervisor Katz  
Supervisor Kaufman  
Supervisor Leno  
Supervisor Newsom  
Supervisor Teng  
Supervisor Yaki  
Clerk of the Board  
Controller  
Legislative Analyst  
Matthew Hymel  
Stephen Kawa  
Ted Lakey



Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

Item 10 - File 00-0268

**Department:** Airport

**Item:** Resolution approving the North Terminal Hub Principal Retail Concession lease between Host International, Inc. and the City and County of San Francisco, acting by and through its Airport Commission.

**Location:** North Terminal Hub of the Airport

**Purpose of Lease:** Concession space for a specialty store and a newsstand (See Description Section below)

**Lessor:** City and County of San Francisco through the Airport Commission

**Lessee:** Host International

**No. of Sq. Ft. and  
Monthly Rental Revenues  
Payable by  
Host International  
to the Airport:**

A total of 4,984 square feet at two locations in the Airport's North Terminal Hub, consisting of 3,784 square feet for a specialty store and 1,200 square feet for a newsstand. The total rental revenues to be paid by Host International to the Airport based on the Minimum Annual Guarantee would be approximately \$42.50 per square foot per month, or \$212,500 per month (\$2,550,000 annually).

**Annual Rental Revenues  
Payable by  
Host International  
to the Airport:**

The proposed lease would require Host International to pay the Airport the greater of a Minimum Annual Guarantee (MAG) of \$2,550,000 for each year of the five year lease term, or a percentage of gross revenues realized by Host International. According to the lease, the annual percentage of gross revenues is 12% for the first \$500,000, 14% between \$500,000 and \$1,000,000, and 16% for all gross revenues in excess of \$1,000,000. The terms of the proposed lease

BOARD OF SUPERVISORS  
BUDGET ANALYST

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

are similar to the terms of concession leases previously approved by the Board of Supervisors for the Airport. The subject lease also provides for annual increases in the Minimum Annual Guarantee based on increases in the U.S. Department of Labor Department Store Inventory Price Index-Soft Goods.<sup>1</sup>

**Term of Lease:**

The proposed lease is scheduled to commence in December of 2000, upon completion of the required renovation work by Host International. The lease would be for a five-year period, terminating in December of 2005.

The five-year lease term begins on the Rent Commencement Date, defined in the lease as the first day both spaces covered by the subject lease are fully operational. According to Ms. Gigi Ricasa of the Airport, the specialty store is expected to be operational by June 10, 2000. However, the newsstand is not expected to be operational until December of 2000 due to the North Terminal/Thumb Expansion. Ms. Ricasa advises that prior to completion of the newsstand and the Rent Commencement Date, expected in December of 2000, Host International will pay to the Airport a prorated rent based on the 3,784 square feet for the operating specialty store (the total 4,984 square feet covered by the subject lease less the 1,200 square feet for the newsstand).

**Right of Renewal:** None

**Utilities and Janitor**

**Provided by Lessor:** The Lessee will pay for the costs of all utilities and janitorial services.

**Description:**

The proposed resolution would approve a concession lease for Host International to operate one specialty store and one newsstand in the North Terminal Hub of the Airport. Under the terms of the subject lease,

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<sup>1</sup> According to Ms. Gigi Ricasa of the Airport, soft goods are defined as retail goods such as toys, sunglasses, and books. The Airport has determined that this price index is the most appropriate one to apply to leases for Airport concessions.

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

Host International has identified the following five retail "concepts" to be sold in the specialty store: (1) Souvenir/Gift Items; (2) High-End Retail; (3) Bay Area-Northern California Specialty Items; (4) Museum-Related Products; and (5) Aviation-Related Products.

The proposed lease would require Host International to sell the following at the newsstand: local, daily and out-of-town newspapers; 200 separately displayed periodicals and magazines; 300 separately displayed hardback and paperback books, plus candy, tobacco, health aids, and souvenir items.

Host International would directly operate the first 3 of the 5 concepts listed above for the specialty store and all of the newsstand, totaling 3,488 square feet, or 70 percent of the total 4,984 square feet covered by the subject lease. Host International would sublease operation of the two remaining concepts in the specialty store to two Disadvantaged Business Enterprises (DBEs): I-5 Concessions, LLC and Sun Shade Holding Corporation. The total 1,496 square feet sub-leased by the DBE companies would be approximately 30 percent of the total 4,984 square footage covered by the lease.

The following table identifies the two retail spaces covered by the subject lease, the five concepts for the specialty store, the types of goods sold by each business, and the square footage occupied by each business.

Concession	Operator	Concept	Sq. Feet
Specialty Store	Host	Souvenir / Gift Items	2,288
		High-End Retail	
		Bay Area & Northern California Items	
	I-5 Concessions	Aviation Products	748
	Sun Shade	Museum Products	748
Total Sq. Ft for Specialty Store			3,784
Newsstand	Host	Newsstand	1,200
Total Square Feet for Lease			4,984

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

**Tenet**

**Improvements:**

Host International would be required to invest a minimum of \$150 per square foot to renovate the subject lease space, or a total of \$747,600 for the 4,984 square feet covered by the subject lease.

Under the terms of the proposed lease, Host International would have the option to request Airport approval for two temporary facilities to sell merchandise during such renovations, estimated to take 90 days. During such time, Host would pay the Airport a percentage rent of 20 percent of gross revenues. In addition, Ms. Ricasa states that the Airport plans to give Host International permission to operate a temporary facility to sell newsstand merchandise during the period that the North Terminal Hub/Thumb Expansion delays the turnover of space to Host International. Host International will pay to the Airport 20 percent of gross revenues earned from the temporary newsstand facility.

**Comment:**

According to Ms. Ricasa, on September 21, 1999 the Airport issued Invitations to Bid to 60 firms for the subject concession lease, as stated in the Attachment to this report, provided by the Airport. Subsequently, on December 21, 1999, the Airport Commission adopted a resolution awarding the lease to Host International, the highest responsive and qualified bidder. The Attachment also contains a list of all firms that submitted bids for this concession and their Minimum Annual Guarantees.

**Recommendation:**

Approve the proposed resolution.



San Francisco International Airport

P.O. Box 8097  
 San Francisco, CA 94125  
 Tel 650.754.5000  
 Fax 650.754.5005  
[www.flysfo.com](http://www.flysfo.com)

**VIA FACSIMILE. (415) 252-0416****DATE:** February 23, 2000**TO:** Emily Newman  
Budget Analyst Office**FROM:** Gigi Ricasa *GR*  
Airport Concession Development and Management**Subject:** North Terminal Hub Principal Retail Concession Lease (the "Lease")

AIRPORT  
 COMMISSION  
 CITY AND COUNTY  
 OF SAN FRANCISCO

WILLIAM BROWN JR.  
 MANAGER

HENRY L. BERMAN  
 PRESIDENT

LARRY MAZZUCHI  
 VICE PRESIDENT

MICHAEL J. BURINCK  
 MANAGER

LEONARD COMPTON  
 MANAGER

CHARLES  
 MANAGER

JOHN L. MARTIN  
 MANAGER

This Lease was developed based on the compatibility with passenger needs and desires, current marketing and retail trends, demographics of the traveling public, the economy, the existing concession the surrounding area and proposals received from the community or retail industry.

#### Standard Marketing Procedure for any Concession Opportunity

After Airport Commission approves staff to conduct a pre-bid/proposal conference, Concession Development and Management ("CDM") staff mails a letter of interest to a mailing list that has been generated by CDM that relates to the concept of the concession opportunity. The interested parties who respond to the letter of interest are placed on a more specified mail list. The specified mail list receives copies of pre-bids and bid documents. For this Lease, the draft Request for Qualification and Proposal and Bid ("RFQ/P and Bid") Documents and the final RFQ/P and Bid Documents were mailed to approximately 60 people who responded to the letter of interest. There were 32 attendees at the public informational conference held in August 1999.

#### Competitive Process

The competitive process used for this Lease was a proposal and a bid process. Interested parties were each required to submit a proposal, which requires for four to five retail concepts in the bigger space and a newsstand for the smaller space. The other main requirement was that the successful Proposer sublease 30% of the total square footage to Disadvantaged Business Enterprise(s). If the proposal(s) was deemed acceptable, the proposer advances to the second stage, which is the bid stage. The Proposer's bid form is opened at a public meeting and at this stage, whoever submits the highest bid amount is announced the apparent successful bidder. This Bidder then submits additional paperwork regarding Human Rights Commission Requirement to ensure that this Bidder meets those requirements.



Memo to Emily Newman  
February 23, 2000  
Page 2

Result of RFQ/PI and Bid

There were two companies who submitted proposals: ① Host International, Inc. and ② Pacific Gateway Concessions, LLC. Both proposals were deemed acceptable, therefore, both Proposers' bid forms were opened, and the result was:

Bidder	Bid Amount
Host International, Inc.	\$2,550,000
Pacific Gateway Concessions, LLC	\$1,408,999.99

The Airport Commission formally awarded the Lease to Host International, Inc. on December 21, 1999.

Highest Bidder and its Proposed Subtenant

Host proposed four concepts in the bigger space, and they are: ① Souvenir merchandise, ② Museum items, ③ Aviation items ④ California regional packaged food products, and ⑤ High end retail. Host will sublease two of the concepts to the following DBEs: I-5 Concessions, LLC and Sun Shade Holding Corporation. The rent for the DBE is as follows: "Tenant shall charge the DBE Subtenant, as rent, no more than the same tiered rent percentage to the DBEs, which is as follows:

- 12% of Gross Revenues from the subleased premises achieved up to and including \$500,000; plus
- 14% of Gross Revenues from the subleased premises achieved from \$500,000.01 up to and including \$1,000,000; plus
- 16% of Gross Revenues from the subleased premises over \$1,000,000.

Please do not hesitate to contact me at (650) 794-4505 if you have further questions. Thank you for your assistance in obtaining Board of Supervisors' approval on this Lease.

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

Items 8 and 9 - File 00-0235 and File 00-0236

**Department:** Airport

**Item:** File 00-0235: Resolution approving two new automated teller machine leases for the new International Terminal between Travelex America, Inc. and the City and County of San Francisco, acting by and through its Airport Commission.

File 00-0236: Resolution approving a new foreign currency exchange lease at the Airport between Travelex America, Inc. and the City and County of San Francisco, acting by and through its Airport Commission.

**Comment:** Mr. John Ballesteros of the Airport has requested that the proposed resolutions be continued for one week.

**Recommendation:** Continue the proposed resolutions to the Finance and Labor meeting of March 8, 2000 as requested by the Airport.

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

Item 7 - File 00-0244

**Department:** Department of Elections

**Item:** Ordinance appropriating \$2,300,097 (\$2,118,610 from the General Fund Reserve and \$181,487 from various governmental revenues) for salaries, fringe benefits, non-personal services, materials and supplies, and equipment for the Department of Elections for FY 1999-2000.

**Amount:** \$2,300,097

**Source of Funds:** The proposed funding sources for the subject supplemental appropriation of \$2,300,097 are as follows:

<u>Funding Sources</u>	<u>Subtotals</u>	<u>Amount</u>
<u>General Fund Reserve</u>		\$2,118,610
<u>Surplus FY 1999-2000 Revenues</u> (see Comment No. 1)		
State Mandated Cost – Various	104,887	
County Candidate Filing Fees	30,300	
Other General Government Charges	46,300	
	<i>Subtotal:</i>	
	\$181,487	181,487
<b>TOTAL:</b>		<b>\$2,300,097</b>

**Description:** The proposed ordinance would appropriate \$2,300,097 for Department of Elections salaries, fringe benefits, non-personal services, materials and supplies, and equipment. The total amount of \$2,300,097 would fund three sets of expenditures:

- the projected FY 1999-2000 budget shortfall of \$1,482,730 for Department of Elections operations for a third election, and higher than anticipated poll worker fees and mandatory fringe benefits;
- a new initiative to update and purge the voter roll during FY 1999-2000, at a cost of \$210,303; and
- miscellaneous system improvements and replacement costs associated with the implementation of a new

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

optical scan vote count system and a new voter registration scanning system, at a cost of \$607,058.

**Budget:** The proposed budget in the amount of \$2,300,097 is as follows:

<u>Expenditure Item</u>	<u>Subtotals</u>	<u>Amount</u>
<u>FY 1999-2000 Budget Shortfall</u>		
Permanent Salaries (see Comment No. 1)	(\$139,939)	
Temporary Salaries	526,067	
Overtime – Miscellaneous	52,074	
Overtime – Temporary	281,660	
Premium Pay	8,352	
Mandatory Fringe Benefits	91,633	
Non-personal Services	294,699	
Stipends for Poll Workers	323,679	
Materials and Supplies	24,305	
Services of Other Departments	20,200	
	<i>Subtotal:</i>	\$1,482,730
<u>Update and Purge of Voter Roll</u>		
Temporary Salaries	140,626	
Overtime – Temporary	12,799	
Mandatory Fringes	21,884	
Non-personal Services	35,000	
	<i>Subtotal:</i>	210,309
<u>Costs Associated with New Scanning Systems</u>		
Temporary Salaries	100,000	
Minor Furnishings	293,808	
Equipment Purchase	213,250	
	<i>Subtotal:</i>	\$607,058
<b>TOTAL:</b>		<b>\$2,300,097</b>

Attachment I, provided by the Department of Elections, presents an analysis of the Department's projected

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

expenditure deficit and explains the projected budget for the proposed supplemental appropriation in more detail.

**Comments:**

1. According to Mr. Ara Minasian of the Department of Administrative Services, \$181,487 of FY 1999-2000 department revenues are surplus because the revenues from (a) State mandated costs, (b) county candidate filing fees, and (c) other general government charges are \$181,487 higher than estimated. Mr. Minasian adds that permanent salaries are projected to be underexpended by \$139,939 due to the vacancy of two positions for most of FY 1999-2000 and such savings can be used as a source of funds for the proposed supplemental appropriation.

2. According to Mr. Minasian, the Department of Elections' FY 1999-2000 operating budget was submitted and approved on the assumption that two elections would be conducted during the year, one on November 2, 1999 and a second on March 7, 2000. However, the Department of Election's FY 1999-2000 costs have increased due to (a) the December 14, 1999 Mayoral and District Attorney run-off election, (b) a \$120,000 increase in poll worker fees due to improved recruitment and retention of qualified, dependable poll workers and a consequent reduction in poll worker absenteeism, and (c) the payment of \$30,000 in mandatory fringe benefits to temporary employees who have been retained for most of FY 1999-2000 due to the three elections. These three increased expenditures have resulted in an estimated total overexpenditure of \$1,482,730 after accounting for the anticipated expenditures for the March 7, 2000 primary election.

3. Ms. Naomi Nishioka of the Department of Elections states that the proposed supplemental appropriation can be reduced by \$10,000 as the Department of Elections will not need to enter into a \$10,000 contract with a phone bank services company for the March 7, 2000 election. The Budget Analyst therefore recommends that the proposed supplemental appropriation of \$2,300,097 be reduced by \$10,000 for an amended total of \$2,290,097.

4. According to Ms. Nishioka, the Department of Elections has not thoroughly purged the voter roll of

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



duplicate and other inactive registrations since FY 1996-97. Such a purge would (a) improve the accuracy of the voter roll, (b) reduce the variable costs associated with each registered voter, such as printing and mailing voter information pamphlets, and (c) speed up the processing of special ballots. Ms. Nishioka states that the planned voter file purging activities, at a total cost of \$210,309, include:

- verifying the addresses of persons who have not voted or contacted the Department of Elections over a long period of time and analyzing voter registrations through the CALVOTER system, using temporary staff at an estimated cost of \$175,309; and
- buying back from the United States Postal Service 40,000 March 7, 2000 voter information pamphlets which could not be delivered, mailing 40,000 correction confirmation cards to voters, and receiving an estimated 20,000 business reply paid cards back, at an estimated total cost of \$35,000.

According to Ms. Nishioka, voter roll purging has not been performed by permanent City employees in the past because the Department of Elections has not had, and continues not to have, sufficient permanent staff capacity to perform such work. The last such purging of the voter roll, performed in FY 1996-97, was performed by temporary employees.

5. Attachment II, provided by the Department of Elections, explains the budget for voter roll purging in more detail. Mr. Minasian states that the difference of \$21,885 between Attachment II's total of \$188,424 and the subject supplemental appropriation request for \$210,309 is accounted for by mandatory fringe benefits.

6. According to Ms. Nishioka, the Department of Elections plans to enter into an equipment lease purchasing agreement in the Spring of 2000, subject to Board of Supervisors approval, to purchase a new optical scan vote count system for use in the November 7, 2000 general election. Ms. Nishioka states that the estimated total cost of the Election Systems and Software, Inc. (ES&S) hardware and software required for an optical

scan vote count system would be \$3,241,738 (inclusive of Sales Tax). Ms. Nishioka states that the initial lease purchase payments for acquisition of the ES&S optical scan vote count system will be included in the Department of Elections FY 2000-2001 budget in the approximate amount of \$767,000.

7. Ms. Nishioka states that, in order to ensure a smooth conversion to the new system, during FY 1999-2000 (a) ancillary information systems hardware and software, furniture, and other infrastructure need to be upgraded or replaced at an estimated cost of \$402,008, and (b) temporary City staff with project management skills need to be hired to support a wide variety of planning activities at an estimated cost of \$100,000.

Mr. Minasian states that the \$100,000 budget for temporary project management staff was determined by the Elections Council which comprises the Controller, the City Administrator, and a representative of the City Attorney's Office. According to Controller Ed Harrington, the Elections Council strongly recommends funding for necessary project management and critical technical resources to ensure that the new optical scan vote count system is implemented successfully by the November 7, 2000 general election. Mr. Harrington adds that details on such project management staffing will be identified during the remainder of FY 1999-2000 and specifically enumerated in the proposed FY 2000-2001 budget.

Furthermore, equipment in the amount of \$105,050 needs to be purchased for a new voter registration scanning system for the reasons outlined in the attached memorandum provided by the Department of Elections (Attachment III).

8. Mr. Minasian states that funding in the amount of \$607,058 was not included in the FY 1999-2000 budget as the decision to purchase a new optical scan vote count system and a new voter registration scanning system was not made until after the Department of Election's FY 1999-2000 budget was finalized. Attachment IV is a detailed budget in the amount of \$607,058 provided by the Department of Elections. The Budget Analyst has

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

reviewed vendor price quotations for the equipment specified and found that the budget amount requested is reasonable. With regard to Attachment IV's line-item budget for voting booths, the proposed amount of \$250,000 would purchase between approximately 3,846 and 4,167 voting booths at the anticipated cost of between \$60 and \$65 per voting booth.

- Recommendations:**
1. In accordance with Comment No. 3 above, reduce the total supplemental appropriation by \$10,000 to \$2,290,097.
  2. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

Department of Elections  
Operating Needs January - June 2000

	Actual thru 1/19/00 (ppd 1/7/00)	1/19/00 Projection Jan-June	Actual + Projection	Revised Budget	Projected Surplus/ (Deficit)	Add'l Funding Needs for	
						Operating Costs	Voter File Maint
001 Permanent Salaries	\$ 336,918	\$ 353,835	\$ 690,753	\$ 830,692	\$ 139,939	\$ 139,939	
005 Temporary Salaries							
Voter Services		333,393					(140,625)
Precinct Services		234,124					
Candidate/Campaign Services		71,133					
Publications and Media		20,355					
Computer Services		21,392					
Administrative Services		5,000					
Total	827,872	685,397	1,513,269	846,576	(666,693)	(526,067)	(140,625)
01101 Overtime - Misc.	66,549	33,275	99,824	47,750	(52,074)	(52,074)	
01105 Overtime - Temp.							
Voter Services		59,184					(12,799)
Precinct Services		28,584					
Candidate/Campaign Services		30,892					
Publications and Media		3,053					
Computer Services		5,157					
Total	246,724	126,870	373,594	79,135	(294,459)	(281,660)	(12,799)
00901 Premium Pay	5,926	5,926	11,852	3,500	(8,352)	(8,352)	
013 Mandatory Fringes	211,675	171,923	383,598	270,081	(113,517)	(91,633)	(21,884)
021 Non-Personal Svcs (excl. 02699)							
Voter Services		78,453					(35,000)
Precinct Services		139,034					
Candidate/Campaign Services		18,400					
Publications and Media		363,096					
Computer Services		26,784					
Total	978,441	625,767	1,604,208	1,274,509	(329,699)	(294,699)	(35,000)
02699 Other Fees							
Precinct Services	482,066	247,828	729,894	406,215	(323,679)	(323,679)	
040 Materials and Supplies							
Voter Services		109,520					
Precinct Services		90,576					
Candidate/Campaign Services		5,000					
Computer Services		1,800					
Total	174,189	206,896	381,085	356,780	(24,305)	(24,305)	
081 Services of Other Departments	39,384	320,981	360,365	340,165	(20,200)	(20,200)	
Total Operating Needs for Jan-June	\$ 3,369,744	\$ 2,778,698	\$ 6,148,442	\$ 4,455,403	\$ (1,693,039)	\$ (1,482,730)	(210,305)

**I. VOTER SERVICES DIVISION - DEPARTMENT OF ELECTION**  
**FY 1999-2000 / Budget Estimates for Voter File Maintenance Activities**

**TEMPORARY SALARIES**

**7 Week period before and after election Voter File Maintenance**

Position	Staff	Regular Hours	Overtime Hours	Hourly Rate	Regular Amount	Overtime Amount
1404 - DE	8	280	16	\$15.18	\$ 33,992	\$ 2,914
1402 - DE	3	280	16	\$13.96	\$ 11,729	\$ 1,005
1403 - DE	2	280	16	\$16.78	\$ 9,394	\$ 805

**3 Week period before and after election Voter File Maintenance - Manual**

Position	Staff	Regular Hours	Overtime Hours	Hourly Rate *	Regular Amount	Overtime Amount
1403 - AS	2	120	16	\$16.78	\$ 4,026	\$ 805
1402 - AS	13	120	16	\$13.96	\$ 21,782	\$ 4,356
1404 - AS	8	120	16	\$15.18	\$ 14,568	\$ 2,914
<b>Total</b>					<b>\$ 95,490</b>	<b>\$ 12,799</b>

\$ 108,289

**II. MVF - Calvoter System Analysis of Voter Registrations - SOS Recommendations**

Position	Staff	Regular Hours	Overtime Hours	Hourly Rate *	Regular Amount	Overtime Amount
1404 - DE	7	180	0	\$15.18	\$ 19,121	\$ -

\$ 19,121

a. Sample Ballot Postal Buy Back:	<b>QUANTITY</b>	<b>COST EST.</b>
Estimated returned corrections	40,000	\$ 22,000

\$22,000

b. Postage Cost for Mailing of 8D-2 Cards:	<b>QUANTITY</b>	<b>COST EST.</b>
Mailing to voters confirming corrections	40,000	\$ 8,000

\$ 8,000

c. Business Reply 8d2 Postage	<b>QUANTITY</b>	<b>COST EST.</b>
Estimate 1/2 of the cards to be returned by voters	20,000	\$ 5,000

\$ 5,000

**TEMPORARY SALARIES-On Rotation through June 30, 2000**

Staff to maintain workflow during off peak election period.

Position	Staff	Regular Hours	Overtime Hours	Hourly Rate *	Regular Amount	Overtime Amount
1404 - DE	1	1040	0	\$15.18	\$ 15,782	\$ -
1403 - DE	1	610	0	\$16.78	\$ 10,233	\$ -
<b>TOTAL</b>					<b>\$ 26,015</b>	

\$ 26,015

DE = Data Entry

AS = Assembly

**GRAND TOTAL \$ 189,404**

Note: This reflects periods of time when the workload is at its peak and staff is under regulated deadlines. This does not reflect staff time for any unforeseen state petitions that are scheduled to be filed before the June deadline. Nor does this reflect an abundance of voter response due to the above mailings.



**DEPARTMENT OF ELECTIONS**  
*City and County of San Francisco*



**NAOMI NISHIOKA**  
*Acting Director of Elections*

February 23, 2000

To : Alan Gibson  
 Budget Analyst

From : Naomi Nishioka <sup>11</sup>  
 Acting Director of Elections

Subject: Supplemental Appropriation—Clarification on Voter Registration System  
 Equipment Included in the Voting System Replacement Project Budget

I would like to clarify some information about the \$607,058 budget for the Voting System Replacement Project. Most of the equipment in this budget is related to the new optical scan voting system; however, approximately \$100,000 of this equipment is to support the automation of voter registration file maintenance functions.

The Secretary of State has approved a new registration form that is designed to be scanned into voter files using optical character recognition equipment and software. Implementation of this equipment will reduce the need for our staff to enter data manually. Instead, staff will be focused on reviewing the scanned information for completeness and accuracy. This will increase the overall reliability of our voter information files.

Such equipment in the project budget consists of the following:

Information Systems Hardware and Software	Quantity	Price	Amount
Monitor, Large - 21" Data Entry	16	850	13,600
Scanner	2	25,000	50,000
Output Tray for LJ8100 Printer	1	2,000	2,000
Office 2000	30	600	18,000
Scanner ICR Software	1	14,000	14,000
SQL Upgrade - 50 CAL Upgrade	1	3,450	3,450
Op-Contract / Scanning Workstation	1	4,000	4,000
			105,050

Please call me if you have any questions.

c: Bill Lee  
 Ed Harrington  
 Mayor's Budget Office

**Department of Elections**  
**Voting System Replacement Project Budget for FY 99-00**

Information Systems Hardware and Software	Quantity	Price	Amount
<b>Network Server Equipment</b>			
Server	1	\$ 30,000	\$ 30,000
Server Rack	1	3,000	3,000
Server Rack Conversion Kit	1	500	500
Memory Upgrade - Existing Server	4	400	1,600
Memory Upgrade - Vote Count	3	250	750
Subtotal			35,850
<b>Desktop Computers</b>			
Computers	40	1,100	44,000
Laptops	6	3,500	21,000
Subtotal			65,000
<b>Monitors</b>			
Regular - 17"	17	250	4,250
Large - 21" Data Entry	16	850	13,600
Flat Screen AV Counter	5	900	4,500
Subtotal			22,350
<b>Misc Hardware</b>			
Scanner	2	25,000	50,000
Projectors Screens	2	300	600
Output Tray for LJ8100 Printer	1	2,000	2,000
ZIP Drive, CDRW Drive	1	1,000	1,000
Subtotal			53,600
<b>Software</b>			
Office 2000	30	600	18,000
Misc Software Upgrades	1	1,000	1,000
Scanner ICR Software	1	14,000	14,000
SQL Upgrade - 50 CAL Upgrade	1	3,450	3,450
Subtotal			36,450
<b>Subtotal - IS Hardware and Software</b>			<b>213,250</b>
<b>Other Furnishings</b>			
Voting Booths			250,000
Op-Contract / Data Entry Workstations	12		29,563
Op-Contract / Scanning Workstation	1	4,000	4,000
Absentee Ballot Cages	2	220	440
Absentee/VRC Carts	5	261	1,305
Absentee Ballot Sealer	1	4,000	4,000
Absentee Ballot Sorting Bins	2	500	1,000
Absentee Letter Opener Attachment	1	3,000	3,000
VRC Storage Trays	100	5	500
<b>Subtotal - Other Furnishings</b>			<b>293,808</b>
<b>Project Management</b>			<b>100,000</b>
<b>Total Project Budget for FY 99-00</b>			<b>\$ 607,058</b>

Item 6 - File 00-0273

**Department:** Mayor's Office

**Item:** Ordinance appropriating \$507,025 to General City Responsibility, Payments to Other Governments, and rescinding \$507,025 from Lease-Purchase, to provide funds for San Francisco's share of the capital improvement budget at the Peninsula Corridor Joint Powers Board, for Fiscal Year 1999-2000.

**Amount:** \$507,025

**Source of Funds:** Equipment Lease-Purchase Appropriation

**Description:** The proposed ordinance would appropriate \$507,025 in savings generated through the San Francisco Finance Corporation, to complete San Francisco's capital program payment for the 1999-2000 Peninsula Corridor Joint Powers Board Caltrain Capital Plan. Such funds would be transferred from the Equipment Lease-Purchase account to the General City Responsibility account to be used for the stated purpose.

In August of 1991, the City entered into a Joint Powers Agreement (JPA) with the San Mateo County Transit District (SamTrans) and the Santa Clara County Transit District regarding the Peninsula Corridor Project. The Peninsula Corridor Project involves the Caltrain route that currently extends from Gilroy to San Francisco. At that time, a Joint Powers Board (JPB) was established as the eventual successor to the California Department of Transportation (Caltrans) to oversee the Caltrain operator, which is currently Amtrak.

The JPB consists of nine members, three of which represent the City and County of San Francisco. One member is appointed by the Mayor, one is appointed by the Board of Supervisors, and one is appointed by the Public Transportation Commission (PTC). The JPB provides for the allocation among the JPB members of the administrative, capital, and operating expenses in connection with the above-noted Peninsula Corridor Project.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

On August 18, 1999, the Joint Powers Board (JPB) approved a two-year capital program for maintenance and improvements to Caltrain's right-of-way facilities, and rolling stock. The total program calls for completion of \$84,025,688 in projects, as shown in Attachment I.

**Comments:**

1. According to Mr. Benjamin Rosenfield of the Mayor's Office, the Federal and State governments will provide \$73,559,097 to fund the Caltrain capital projects and the three Counties will provide \$10,466,591 in local matching funds (\$73,559,097 plus \$10,466,591, totaling \$84,025,688). Of the \$10,466,591 local match, \$3,384,000 would be offset by JPB fare box capital reserves. The remaining \$7,082,591 would come directly from the three Counties over a two-year period, \$3,000,000 in FY 1999-2000 and \$4,082,591 in FY 2000-2001. Attachment II, provided by the Mayor's Office, contains a breakdown of the proposed funding sources.

2. Mr. Rosenfield states that each of the three Counties shares the capital match requirements equally, resulting in a \$1,000,000 match (one-third of \$3,000,000) from San Francisco for FY 1999-2000. Of San Francisco's \$1,000,000 match, \$492,975 would come from operating budget savings generated by the JPB in FY 1998-1999 and held on San Francisco's behalf. The remaining \$507,025, which is the subject of this ordinance, would come from current year San Francisco Finance Corporation debt service savings. According to Mr. Rosenfield, such savings have come from lower than expected debt service payments on equipment purchased through the equipment lease financing program. Mr. Rosenfield states that such debt service payment savings have resulted from (a) greater than anticipated interest accrual on equipment lease financing reserve funds, which have been used to make debt service payments in lieu of budgeted General Fund monies, and (b) surplus equipment lease financing reserve funds.

3. According to Mr. Rosenfield, San Francisco's capital match requirement for FY 2000-2001 would be \$1,360,864. Mr. Rosenfield states that such funds would be requested in the FY 2000-2001 budget. Mr. Rosenfield also states that the Mayor's Office is working with Ms. Carmen Clark of the

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

Transportation Authority to identify non-General Fund sources to pay for Caltrain capital improvement projects in future years.

4. According to Mr. Jim Gallagher of the JPB, the proposed Caltrain capital improvement projects are intended to improve the Caltrain infrastructure, resulting in service improvements. Mr. Gallagher states that ridership on Caltrain, which provides commuter trains between Gilroy and San Francisco, has increased by 30 percent since 1992, and currently is increasing by approximately 6 percent per month. According to Mr. Gallagher, commuters travelling from San Francisco to jobs in Silicon Valley represent a major increase in overall Caltrain ridership.

5. As noted above, Attachment I contains a list of the proposed Caltrain capital improvement projects and the associated costs. Mr. Gallagher advises that JPB will follow competitive bidding procedures and award the capital improvement project contracts to the firms that submit the lowest bid.

**Recommendation:** Approve the requested supplemental appropriation.



**Caltrain Capital Budget 2000 & 2001****FY 2000 & 2001 CALTRAIN PROJECT DESCRIPTIONS**

The following is a listing of Capital projects included in the current budget period. A brief description is presented for each project along with the total estimated cost to complete.

The extent to which capital projects impact the FY 2000 and 2001 operating budget is closely tied to Caltrain's Contract Operations (Amtrak) costs. The current arrangement involves a fixed-price management contract which will be in effect until June 2000. Projects in the FY 2000 and 2001 capital budget will result in higher or lower operating and maintenance costs to the contract operator in the near term. Therefore, those costs or benefits resulting from current projects will likely be factored into the next contract. At present, associated dollar amounts have not been determined for most projects. However, for those projects for which a dollar value for operating budget impact is not available, an assessment has been made as to whether its ultimate completion will result in higher, lower, or no significant impact in the operating budget.

**1. STATIONS & INTERMODAL ACCESS - FY 2000 & 2001 BUDGET: \$25,850,190****PROJECT TITLE: Platform & Trackwork - Millbrae Intermodal**

**DESCRIPTION:** Construction of Caltrain elements of the Caltrain - BART Millbrae Intermodal Station. Project elements include crossovers, two additional boarding platforms and sidings on the east side of the Caltrain tracks.

**COST ESTIMATE:** \$3,000,000

**OPERATING BUDGET IMPACT:** No significant impact.

**PROJECT TITLE: Station Rehabilitation - Various Stations**

**DESCRIPTION:** Rehabilitation of elements of various Caltrain stations.

**COST ESTIMATE:** \$780,000

**OPERATING BUDGET IMPACT:** No significant impact.

**Caltrain Capital Budget 2000 & 2001****PROJECT TITLE: Platform & Trackwork - SSF**

**DESCRIPTION:** Rebuilding of the South San Francisco Station south of the existing station, to include: outside boarding platforms; access from both sides of the rail line; easy shuttle access from the east side of the tracks; a grade separated pedestrian crossing; and relocated UP freight tracks.

**COST ESTIMATE:** \$7,150,000

**OPERATING BUDGET IMPACT:** No significant impact.

**PROJECT TITLE: Platform & Trackwork - Broadway**

**DESCRIPTION:** Rebuilding the Broadway (Burlingame) Station south of the existing station, to include outside boarding platforms and a third track. The third track between the new Millbrae Station and Broadway Station will enable express trains to pass local trains.

**COST ESTIMATE:** \$6,050,000

**OPERATING BUDGET IMPACT:** No significant impact.

**PROJECT TITLE: Platform & Trackwork - Diridon**

**DESCRIPTION:** Rebuilding the tracks, platforms, terminal facilities and pedestrian subways at Diridon Station, along with realignment and rehabilitation of yard tracks. The project will improve operations for all station users (Caltrain, Amtrak, Capitol Corridor, ACE and UPRR), assist the VTA in completing the Vasona LRT project and improve the speed at which trains can operate into and out of the terminal.

**COST ESTIMATE:** \$4,825,000

**OPERATING BUDGET IMPACT:** No significant impact.

**Caltrain Capital Budget 2000 & 2001****PROJECT TITLE: Platform & Trackwork - San Bruno**

**DESCRIPTION:** The San Bruno Caltrain station at Linden Avenue will be closed while construction of the BART SFO extension is underway. Once the BART project is complete, a new station will be built at the original location or another location in the city. This project will begin once the station site has been selected.

**COST ESTIMATE:** \$2,750,000

**OPERATING BUDGET IMPACT:** No significant impact.

**PROJECT TITLE: ADA Improvements - Various Stations**

**DESCRIPTION:** ADA improvements consistent with applicable needs. The program will be assessed as part of an ongoing effort to provide stations improvements, enhancements and ADA-specific improvements such as Talking Signs and PA/Visual Messaging Systems.

**COST ESTIMATE:** \$1,295,190

**OPERATING BUDGET IMPACT:** No significant impact. Potential annual O & M associated with I.T. facilities.

**2. RIGHT OF WAY - FY 2000 & 2001 BUDGET: \$32,150,574****PROJECT TITLE: Systemwide Track Rehabilitation**

**DESCRIPTION:** This project consists of the rehabilitation of Caltrain infrastructure such as: replacement of rails and ties; bridge repairs and replacement; tunnel repairs; maintenance of way facilities and rolling stock purchases; and improvements related to the Fiber Optic Backbone Network.

**COST ESTIMATE:** \$21,000,000

**OPERATING BUDGET IMPACT:** No significant impact. Is expected to decrease annual O & M (Maintenance of Way) expenses.

**Caltrain Capital Budget 2000 & 2001****PROJECT TITLE: Centralized Traffic Control (Signal Upgrade)**

**DESCRIPTION:** Installation of a centralized traffic control (CTC) signaling system on the segment of the Caltrain line that is currently controlled by an antiquated automatic block signaling system

**COST ESTIMATE:** \$10,044,324

**OPERATING BUDGET IMPACT:** Expected annual O & M expenses to be determined.

**PROJECT TITLE: Centralized Traffic Control (Communications)**

**DESCRIPTION:** Installation of a new data radio system to provide a reliable "communications link" between signal control points in the field and the centralized dispatch center. The new system will be connected to two mountain top base stations that will provide overlapping coverage of the data radio sites.

**COST ESTIMATE:** \$1,106,250

**OPERATING BUDGET IMPACT:** Forecasted annual reduction of \$50,000 in operating costs.

**3. ROLLING STOCK - FY 2000 & 2001 BUDGET: \$8,331,000****PROJECT TITLE: Passenger Car Rehabilitation**

**DESCRIPTION:** Project includes the mid-life rehabilitation of the rail car fleet as recommended by the manufacturer. Includes the rehabilitation of the chassis, braking systems, interior and exterior components.

**COST ESTIMATE:** \$8,000,000

**OPERATING BUDGET IMPACT:** Expected reduction in annual O & M expenses associated with refurbished equipment.

**Caltrain Capital Budget 2000 & 2001****PROJECT TITLE: Amtrak Non Revenue Vehicles**

**DESCRIPTION:** This project covers the contractually mandated replacement of non-revenue support vehicles owned by the JPB and operated by Amtrak.

**COST ESTIMATE:** \$181,000

**OPERATING BUDGET IMPACT:** N/A

**PROJECT TITLE: Locomotive GPS System**

**DESCRIPTION:** Acquisition of 25 global positioning units (GPS) for installation in Caltrain locomotives. Included in the project is software and communications linkages to send information from the GPS system to PC's at Amtrak and the JPB.

**COST ESTIMATE:** \$150,000

**OPERATING BUDGET IMPACT:** Annual program management costs expected to accommodate service improvements.

**4. OPERATIONAL FACILITIES & EQUIPMENT - FY 2000 & 2001 BUDGET:**  
**\$11,753,953**

**PROJECT TITLE: Amtrak Miscellaneous Capital Improvements**

**DESCRIPTION:** This project consists of contractually-mandated capital investments required to support additional rolling stock and new technology, such as: maintenance equipment for locomotives; parts and special tools for locomotives; and spare parts to support Ponderosa/BART project impacts.

**COST ESTIMATE:** \$366,000

**OPERATING BUDGET IMPACT:** N/A



## Caltrain Capital Budget 2000 &amp; 2001

**PROJECT TITLE: Fare Collection (Ticket Vending Machines)**

**DESCRIPTION:** Phase 3 of the Ticket Vending Machine Program. Additional machines will be necessary system-wide as demand for service is monitored. Phase 3 will implement ticket vending machines (TVM'S) at stations with increased fare collection needs.

**COST ESTIMATE:** \$500,000

**OPERATING BUDGET IMPACT:** Significant O & M expense associated with fare collection system. Amount to be determined once system is in operation. Anticipated reduction in on-board service collection expenses and improved fare collection practices.

**PROJECT TITLE: Parking Revenue Equipment**

**DESCRIPTION:** Phase 2 of a project started in FY 2000 under the "Station Rehabilitation" program. This project would provide 40 units of automated parking revenue collection equipment at lower volume and non-market rate lots. The equipment would be capable of variable rates and automated information reporting.

**COST ESTIMATE:** \$200,000

**OPERATING BUDGET IMPACT:** No significant impact.

**PROJECT TITLE: Caltrain Maintenance Facility**

**DESCRIPTION:** This project consists of constructing a new maintenance facility for Caltrain at the Lenzen site in San Jose. The project includes rebuilding the College Park Station slightly to the North of the current location.

**COST ESTIMATE:** \$10,307,953

**OPERATING BUDGET IMPACT:** Significant impact. Operating plan to be determined.

**Caltrain Capital Budget 2000 & 2001****PROJECT TITLE: Warehousing - ROW Equipment & Spares**

**DESCRIPTION:** Storage space for signal materials to be removed and salvaged from the Ponderosa and the Ralston-Holly-Harbor project. These facilities include signal masts, cases case components, signal heads, gates and grade crossing warning devices.

**COST ESTIMATE:** \$200,000

**OPERATING BUDGET IMPACT:** No significant impact.

**PROJECT TITLE: Amtrak Office Module Replacement**

**DESCRIPTION:** Replacement of two work modules located at the San Jose or San Francisco terminals. All office modules are reaching the end of their useful lives and must be evaluated for replacement. All efforts will be made to extend useful life first.

**COST ESTIMATE:** \$120,000

**OPERATING BUDGET IMPACT:** No significant impact.

**PROJECT TITLE: Rail Operations Scheduling & Planning Software**

**DESCRIPTION:** Acquisition of PC-based software, training and documentation to develop and analyze future Caltrain service scenarios, schedules and costs.

**COST ESTIMATE:** \$50,000

**OPERATING BUDGET IMPACT:** No significant impact. May result in cost savings associated with service development efficiencies.

## Caltrain Capital Budget 2000 &amp; 2001

**PROJECT TITLE: Amtrak SCO Office Security Improvements**

**DESCRIPTION:** This project is requested based on Amtrak security audit and recommendations. The project would improve security at Amtrak dispatch center by adding combination lock entry door system to trainmaster office, and changing current sliding window to bullet proof window with document transfer and speaker system.

**COST ESTIMATE:** \$10,000

**OPERATING BUDGET IMPACT:** No significant impact.

**5. OTHER PROJECTS – FY 2000 & 2001 BUDGET: \$5,939,971****PROJECT TITLE: Capital Program Development**

**DESCRIPTION:** This project fund was established to ensure that program development costs could be captured as a capital cost as opposed to an operating expense. It covers such activities as capital budget and programming process, grant development, capital tracking and development systems and internal program meeting costs.

**COST ESTIMATE:** \$400,000

**OPERATING BUDGET IMPACT:** \$200,000 reduction in operating costs (wages and benefits).

**PROJECT TITLE: Capital Project Development**

**DESCRIPTION:** This project fund was established to ensure that project development costs could be captured as a capital cost as opposed to an operating expense. The development of accurate estimates and project assessments is essential to ensure good project development. It covers such activities as initial capital project cost estimates and development, and internal program meeting costs.

**COST ESTIMATE:** \$1,000,000

**OPERATING BUDGET IMPACT:** No significant impact.

## Caltrain Capital Budget 2000 &amp; 2001

**PROJECT TITLE: SF DTX EIR Completion**

DESCRIPTION: Completion of the San Francisco Downtown Extension Environmental Impact Report.

COST ESTIMATE: \$564,971

OPERATING BUDGET IMPACT: No significant impact.

**PROJECT TITLE: Electrification - EIR / PE**

DESCRIPTION: Electrification of Caltrain - Environmental Impact Report and Planning & Engineering.

COST ESTIMATE: \$3,375,000

OPERATING BUDGET IMPACT: No significant impact.

**PROJECT TITLE: Small Projects**

DESCRIPTION: This project fund was established to ensure that small projects that are necessary, but do not warrant a separate budget line item, could be completed. It covers miscellaneous improvements that generally cost between \$5,000 - \$20,000, such as equipment and other facility needs.

COST ESTIMATE: \$600,000

OPERATING BUDGET IMPACT: Minor O & M budget savings.

## Calttrain Capital Budget FY 2000 2001

Project	PROJECT BUDGET	PROPOSED	REQUESTED BUDGET	Fund	Fund #	DATE	PROPOSED FUNDING SOURCES	VA	Estimate
	BUDGET	AMOUNT	FFY 2020	FFY 2021			LOCAL		
1. MAINLINE & INTERCHANGING ACCESS	Perform & Maintain - Multiple Interchange	\$18,600,000	\$12,500,000	\$1,500,000	\$1,700,000		\$2,400,000		\$100,000
	Perform & Maintain - Various Stations	\$18,000,000	\$13,000,000	\$400,000	\$1,600,000		\$180,000		
	Perform & Maintain - SFR	\$12,000,000	\$1,100,000	\$5,500,000	\$1,100,000		\$1,100,000		\$1,100,000
	Perform & Maintain - Bypass	\$12,000,000	\$1,200,000	\$4,800,000	\$4,800,000		\$1,400,000		\$500,000
	Perform & Maintain - On-Ramp	\$12,000,000	\$1,200,000	\$4,800,000	\$4,800,000		\$1,400,000		\$500,000
2. NORTH OCEAN	ADA Improvements - Station Stations	\$1,000,000	\$500,000	\$2,500,000	\$1,500,000		\$180,000		\$1,200,000
	ADA Improvements - Station Stations	\$1,000,000	\$500,000	\$2,500,000	\$1,500,000		\$180,000		\$1,200,000
	ADA Improvements - Station Stations	\$1,000,000	\$500,000	\$2,500,000	\$1,500,000		\$180,000		\$1,200,000
	ADA Improvements - Station Stations	\$1,000,000	\$500,000	\$2,500,000	\$1,500,000		\$180,000		\$1,200,000
	ADA Improvements - Station Stations	\$1,000,000	\$500,000	\$2,500,000	\$1,500,000		\$180,000		\$1,200,000
3. ROLLING BUCKS	Systemwide Transit Rehabilitation	\$21,000,000	\$10,000,000	\$10,500,000	\$11,500,000		\$18,000,000		\$4,200,000
	Systemwide Transit Rehabilitation	\$21,000,000	\$10,000,000	\$10,500,000	\$11,500,000		\$18,000,000		\$4,200,000
	Systemwide Transit Rehabilitation	\$21,000,000	\$10,000,000	\$10,500,000	\$11,500,000		\$18,000,000		\$4,200,000
	Systemwide Transit Rehabilitation	\$21,000,000	\$10,000,000	\$10,500,000	\$11,500,000		\$18,000,000		\$4,200,000
	Systemwide Transit Rehabilitation	\$21,000,000	\$10,000,000	\$10,500,000	\$11,500,000		\$18,000,000		\$4,200,000
4. OFF-ROAD FACILITIES & EQUIPMENT	Amtrak Miscellaneous Capital Improvements	\$210,000	\$100,000	\$100,000	\$100,000		\$100,000		\$100,000
	Amtrak Miscellaneous Capital Improvements	\$210,000	\$100,000	\$100,000	\$100,000		\$100,000		\$100,000
	Amtrak Miscellaneous Capital Improvements	\$210,000	\$100,000	\$100,000	\$100,000		\$100,000		\$100,000
	Amtrak Miscellaneous Capital Improvements	\$210,000	\$100,000	\$100,000	\$100,000		\$100,000		\$100,000
	Amtrak Miscellaneous Capital Improvements	\$210,000	\$100,000	\$100,000	\$100,000		\$100,000		\$100,000
5. OTHER	Program Development	\$200,000	\$200,000	\$200,000	\$200,000		\$200,000		\$200,000
	Program Development	\$200,000	\$200,000	\$200,000	\$200,000		\$200,000		\$200,000
	Program Development	\$200,000	\$200,000	\$200,000	\$200,000		\$200,000		\$200,000
	Program Development	\$200,000	\$200,000	\$200,000	\$200,000		\$200,000		\$200,000
	Program Development	\$200,000	\$200,000	\$200,000	\$200,000		\$200,000		\$200,000
GRAND TOTAL		\$222,244,937	\$100,000,000	\$44,538,978	\$64,020,688		\$46,891,798	\$6,820,698	\$10,466,591



## Caltrain Capital Budget Local Match Requirements

	Plan Total	1999-00	2000-01
Required local match	10,466,591	5,256,000	5,210,591
Fare box capital reserve	3,384,000	2,256,000	1,128,000
Member agency contributions	7,082,591	3,000,000	4,082,591
San Francisco	2,360,864	1,000,000	1,360,864
San Mateo	2,360,864	1,000,000	1,360,864
Santa Clara	2,360,864	1,000,000	1,360,864

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

Item 5 - File 00-0272

**Department:** Public Utilities Commission (PUC)

**Item:** Ordinance appropriating \$600,000 of the Water Department Enterprise Fund unappropriated surplus fund balance to fund initial clean-up activities of San Francisco Public Utilities Commission Bayside property, located west of the Dumbarton Bridge, for Fiscal Year 1999-2000.

**Amount:** \$600,000

**Source of Funds:** Water Department Enterprise Fund unappropriated surplus fund balance

**Description:** The San Francisco Public Utilities Commission (PUC) leased 17 acres of PUC Bayside property to the Peninsula Sportsman's Club from 1939 until 1994. The property is located west of the Dumbarton Bridge, next to the city of East Palo Alto. The Peninsula Sportsman's Club operated a trap and skeet range that resulted in the accumulation of lead shot and clay pigeon debris. In 1994 the San Francisco Bay Regional Water Control Board issued a cleanup and abatement order to the Peninsula Sportsman's Club. As the property owner, the PUC was named the secondary responsible party. In 1996 the PUC evicted the Peninsula Sportsman's Club from the subject property and shortly afterward, the Peninsula Sportsman's Club declared bankruptcy, leaving no recoverable assets. Therefore, the PUC became solely responsible for the cleanup of the subject PUC property. Due to administrative delays, neither the PUC nor the Regional Water Control Board pursued the cleanup and abatement order from the time the Peninsula Sportsman's Club was evicted in 1996 until July of 1999. In July of 1999 the Regional Water Control Board issued a letter to the PUC, requiring the PUC to begin the cleanup. The PUC submitted a report to the Regional Water Control Board on November 1, 1999, detailing the results of the PUC's site investigation.

The PUC has begun the process of complying with the Regional Water Control Board's enforcement action. The PUC and the Regional Water Control Board have not yet negotiated the full extent of the necessary cleanup.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

Approximately 25 acres of PUC land have been contaminated, and additional land, including a salt pond belonging to a neighboring landowner, has been contaminated. According to the PUC, total cleanup costs may be up to \$12,000,000, depending on the amount of soil to be removed to a hazardous waste disposal site and on needed cleanup efforts at the adjacent salt pond.

The immediate cleanup costs will be approximately \$3,100,000, of which \$600,000 are the subject of this supplemental appropriation ordinance, and an additional \$2,500,000 will be requested in the FY 2000-2001 PUC budget.

The first clean-up project includes the removal of 2,600 tons of clay pigeon debris from the subject property. The project was identified as a priority because the debris is contaminated with lead and other toxins<sup>1</sup>. The clean up will start upon approval of the proposed supplemental appropriation ordinance and will cost approximately \$600,000.

**Budget:** The summary budget for the proposed supplemental appropriation is as follows:

Wetlands Delineation	\$ 6,600
Archaeological Consultants	4,924
Habitat Assessment	10,265
Fence Construction (Protection of Endangered Salt Marsh Harvest Mouse)	4,000
Sampling and Characterization of Debris Piles for Disposal	10,170
Clay Pigeon Excavation and Staging	45,092
Trucking Costs	95,000
Landfill Disposal of Debris Piles	365,274
Public Affairs Support	<u>71,920</u>
Total	\$613,244

Attachment I, provided by the PUC, contains details to support the summary budget noted above. According to Mr. John Mundy of the PUC, funds totaling \$13,244

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<sup>1</sup> The clay pigeon debris contains polynuclear aromatics, a carcinogenic substance similar to asphalt but less stable, which can contaminate the soil and groundwater.

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

(\$613,244 less \$600,000) are available in the FY 1999-2000 PUC budget.

**Comments:**

1. According to Mr. Mundy, the PUC selected five environmental service contractors through a Request for Proposal (RFP) process in May of 1999 to perform environmental work for the PUC on an as-needed basis. Three of the five contractors would perform such work on the subject property as follows:

- Baseline Environmental, Inc would identify wetlands' boundaries, and design mitigation measures to ensure careful control of contaminant removal activities at the subject property at an estimated cost of \$6,600.

- Tetra Tech, Inc. would (a) construct a fence to protect the endangered Salt Marsh Harvest Mouse habitat at an estimated cost of \$4,000, (b) perform an habitat assessment of possible threatened and endangered plant and animal species at the subject site at an estimated cost of \$10,265, and (c) subcontract with PAE Environmental Services, Inc., to conduct an investigation of possible archaeological and historical sites on the subject property at an estimated cost of \$4,924.

- Camp, Dresser, and McKee, Inc. would sample potentially contaminated soil on the subject property and prepare a technical memorandum at an estimated cost of \$10,170.

2. Mr. Mundy reports that PUC has budgeted \$71,920 for public affairs services, which would be provided by Tony Wessling, a consultant currently providing the PUC with public affairs support (Attachment II). Mr. Mundy states that such public affairs services have three components. According to Mr. Mundy, the first two components of the public affairs program were developed by the PUC to respond to the East Palo Alto community's concern regarding the impact of the contamination on their community. Additionally, the third component of the public affairs program is required by the Regional Water Control Board. First, the PUC would provide outreach to the East Palo Alto community, which has formerly had access to the unfenced subject property, to address their environmental concerns. Second, removal of the contaminated soil requires

transporting the soil through the East Palo Alto community. The public affairs consultant would provide notification to the community and organize public meetings for the community to express their concern regarding the transportation of the contaminated materials. Third, the Regional Water Control Board requires that the PUC conduct neighborhood meetings to discuss the PUC's efforts to clean-up the subject property and to respond to comments from the community prior to further remediation efforts (after the clay pigeon debris clean-up) in FY 2000-2001.

3. Of the \$613,245 in initial clean-up costs for the clay pigeon debris, an estimated \$505,368 would include excavation and staging of the clay pigeon debris (\$42,092), transporting of the debris to a hazardous waste landfill (\$95,000), and debris disposal at the landfill (\$365,274). According to Mr. Mundy, the PUC will use Department of Public Works (DPW) hazardous material incident response contractors, selected by DPW through an RFP process to perform such work on an as-needed basis<sup>2</sup>. According to Mr. Steve Mullinnix of DPW, DPW will obtain quotes for the cost of such work from the as-needed contractors after the contaminated soil at the subject property has been characterized and negotiations with the Regional Water Control Board regarding the extent of soil removal have been completed. The PUC plans to begin such work in May of 2000. The Budget Analyst recommends that \$505,368 of the requested \$600,000 supplemental appropriation be placed on reserve, pending submission of budget details.

**Recommendation:** Approve appropriation of the requested \$600,000 and reserve \$505,368, as noted in Comment No. 5.

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<sup>2</sup> According to Mr. Steve Mullinnix of the DPW, the DPW has issued an RFP for as-needed hazardous material incident response contractors and responses are due on March 22, 2000. The DPW expects to select such as-needed contractors in April of 2000.



### Peninsula Sportsman's Club Interim Removal Action

<b>Army Corp Wetlands Permitting</b>	
Wetlands Delineation (Fieldwork and Report)	\$6,600 (through PUC as-needed)
Archaeological Consulting	\$4,924 (through PUC as-needed)
<b>Endangered Species Avoidance Measures</b>	
Construction of Fence for Salt Marsh Harvest Mouse	\$4,000 (through PUC as-needed)
Biologist for Trapping Activities	\$10,265 (through PUC as-needed)
<b>Clay Pigeon Excavation and Staging</b>	
Contractor Cost	\$37,500 (through DPW contracts)
DPW Overhead Costs	\$3,492
Contingency	\$4,099
<b>Characterization of Debris Piles for Disposal</b>	
Sampling and Technical Memorandum	\$10,170 (through PUC as-needed)
<b>Trucking Costs (see notes)</b>	
100 truckloads at 20 cubic yards, 1 truckload = \$950	\$95,000 (through DPW contracts)
<b>Landfill Disposal of Debris Piles (see notes)</b>	
2600 tons for disposal at \$136.49 per ton	\$365,274 (through DPW contracts)
<b>Public Affairs Support</b>	
	\$71,920 (through PUC as-needed)
<b>Total Costs:</b>	<b>\$613,244</b>

Assumptions: For soil, 1 cu. yd. = 1.3 tons, assume same for steel debris, though may be slightly less

Recent clay pigeon debris removal at Crissy Field required Class I disposal, due to lead contamination

Class I RCRA disposal = \$136.49/ton

RCRA = TTLC > 1,000 mg/kg Pb, TCLP > 5.0 mg/kg Pb

One truck = 20 cu. yds., total of 100 truckloads material

Class I trucking costs = \$950 per 20 cubic yard load to Kettleman City.

Estimates based on conversations with Ecology Control Industries, Altamont Landfill, SFDPW and Camp Dresser and McKee Engineers

# **PENINSULA SPORTSMAN'S CLUB PUBLIC AFFAIRS COMPONENT**

## **Task 1: Site Access Issues**

	Hours	Rate		
Develop Fact Sheet				
Meet with PUC Staff	8	\$ 115.00	\$ 920.00	
Generate and Edit Fact Sheet	18	\$ 115.00	\$ 1,840.00	
Clerical Support	4	\$ 55.00	\$ 220.00	
Materials			\$500.00	
Coordinate with Cargill Staff				
Meeting Prep	8	\$ 115.00	\$ 920.00	
Cargill Meetings (2)	8	\$ 115.00	\$ 920.00	
Clerical Support	4	\$ 55.00	\$ 220.00	
Agency Coordination				
Agency Coordination	8	\$ 115.00	\$ 920.00	
Clerical Support	4	\$ 55.00	\$ 220.00	
			\$ 6,580.00	\$ 6,580.00

## **Task 2: Interim Removal Action Public Notification/Outreach**

Develop Fact Sheet				
Meet with PUC Staff (2 plus prep)	8	\$ 115.00	\$ 920.00	
Generate and Edit Fact Sheet	18	\$ 115.00	\$ 1,840.00	
Clerical Support	4	\$ 55.00	\$ 220.00	
Materials			\$500.00	
Coordinate Notification/Response				
Develop Mailing List	40	\$ 115.00	\$ 4,600.00	
Administer Mailing	8	\$ 115.00	\$ 920.00	
Clerical Support	4	\$ 55.00	\$ 220.00	
Response Activities	40	\$ 115.00	\$ 4,600.00	
Materials			\$500.00	
Agency Coordination				
Meetings (2 plus prep)	24	\$ 115.00	\$ 2,760.00	
Clerical Support	4	\$ 55.00	\$ 220.00	
Additional Communications Support	24	\$ 115.00	\$ 2,760.00	
			\$20,040.00	\$ 20,040.00

## **Task 3: Presenting Remedial Alternative**

Develop Fact Sheet				
Meet with PUC Staff (3 plus prep)	12	\$ 115.00	\$ 1,380.00	
Generate and Edit Fact Sheet	40	\$ 115.00	\$ 4,600.00	
Coordinate Media Response	32	\$ 115.00	\$ 3,680.00	
Clerical Support	8	\$ 55.00	\$ 440.00	
Materials			\$ 500.00	
Stakeholder Identification/Outreach				
Meet with PUC Staff (3 plus prep)	12	\$ 115.00	\$ 1,380.00	
Strategize/Coordinate Contact with Stakeholders	32	\$ 115.00	\$ 3,680.00	
Summary Memo Re Potential Stakeholder Concerns	24	\$ 115.00	\$ 2,760.00	
Clerical Support	8	\$ 55.00	\$ 440.00	
Public Meeting				
Coordinate Meeting Logistics	24	\$ 115.00	\$ 2,760.00	
Meeting Minutes	18	\$ 55.00	\$ 840.00	
Followup/Response to Stakeholder Concerns	32	\$ 115.00	\$ 3,680.00	
Refreshments			\$100.00	
Materials			\$500.00	
			\$28,780.00	\$ 28,780.00

## **Task 4: Media Control During Negotiations for Remedial Alternatives**

As-Needed Services	150	\$ 115.00	\$18,450.00	\$ 18,400.00
				\$ 71,920.00

Item 4 - File 00-0271

**Department:** Superior Court

**Item:** Ordinance appropriating \$558,000 from the General Fund Reserve to fund the increased costs of indigent defense in adult criminal and juvenile delinquency cases for the Trial Court for Fiscal Year 1999-2000, providing for ratification of action previously taken.

**Amount:** \$558,000

**Source of Funds:** General Fund Reserve

**Description:** The proposed ordinance would appropriate \$558,000 to fund increased Indigent Defense Program costs due to (a) increased private attorney costs, resulting from increased case load, and (b) proposed increased reimbursement rates for private investigators paid through the Indigent Defense Program. Of the requested \$558,000 supplemental appropriation, \$508,000 would pay for increased costs for Indigent Defense Program private attorneys, resulting from increased caseload, and \$50,000 would pay for a proposed \$5 per hour increase in the reimbursement rate for private investigators.

The increased expenditures for private defense attorneys have resulted from the increased number of indigent individuals assigned private defense attorneys through the Indigent Defense Program. Ordinarily, the Public Defender's Office provides defense attorneys to indigent individuals who have been charged with a crime. If the Public Defender's Office determines that a conflict of interest would result if the Public Defender were to provide the defense attorney, the Superior Court<sup>1</sup> appoints a private defense attorney through the Superior Court's Indigent Defense Program. The Superior Court pays the fees for such private defense attorneys at a predetermined rate. As noted in Comment No. 1, the Indigent Defense Program expenditures increased between June of 1998 through September of 1999. From March of 1998 until

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<sup>1</sup> The City's Superior and Municipal Courts, formerly titled "Trial Court", are now under the heading "Superior Court of California, County of San Francisco".

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

October 1, 1999<sup>2</sup>, the Public Defender's Office provided attorneys in only three of the four courtrooms that held arraignment hearings. Therefore, the Court assigned private defense attorneys through the Indigent Defense Program to indigent individuals who had arraignment hearings in the courtroom that did not have attorneys from the Public Defenders Office. Approval of the proposed ordinance would appropriate \$508,000 to fund increased expenditures, resulting from the increased number of indigent individuals who have been assigned private defense attorneys through the Indigent Defense Program.

Additionally, approval of the proposed ordinance would appropriate \$50,000 to pay for a proposed increase in the hourly rate for private investigators, working with the private defense attorneys. Court-appointed private attorneys can petition the Court to provide funds to pay for private investigators on behalf of the indigent client. Currently, the rate for such private investigators, which was set in 1984, is \$35 per hour. The subject ordinance would fund a \$5 per hour rate increase, increasing the private investigator rate from \$35 per hour to \$40 per hour. The requested \$50,000 appropriation would provide a \$5 per hour rate increase for 10,000 hours of private investigator time, from January 1, 2000, through June 30, 2000.

San Francisco began participation in the State Trial Court Funding Program in FY 1988-89. Each year the State Legislature determines the level of funding to Counties participating in the State Trial Court Funding Program and allocates State funds to each County's Superior Court. However, the County retained responsibility for providing private defense attorneys to indigent persons charged with a crime. Therefore, San Francisco's Indigent Defense Program is funded by the General Fund and the requested supplemental appropriation would be funded from the General Fund Reserve.

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<sup>2</sup> According to Mr. Neal Taniguchi of the Superior Court, Indigent Defense Program expenditures lag 3 months behind increased caseload due to delays in private attorney billings and reimbursements.

**Comments:**

1. According to Mr. Neal Taniguchi of the Superior Court, between June of 1998 and October of 1999, Indigent Defense Program expenditures for private defense attorneys increased due to increased caseload. During that time period, approximately one-quarter of the indigent individuals who would have been assigned an attorney from the Public Defender's Office were instead assigned a private defense attorney through the Indigent Defense Program. The Superior Court has four courtrooms that hold arraignment hearings for individuals charged with crimes. For the specified time period, of these four courtrooms (Departments 9, 10, 11, and 12) the Public Defender's Office assigned attorneys to Departments 9, 10, and 12, but did not have sufficient staff to assign attorneys to Department 11. Therefore, indigent individuals who had arraignment hearings in Departments 9, 10, and 12 were assigned an attorney from the Public Defender's Office, and indigent individuals who had arraignment hearings in Department 11 were assigned private attorneys through the Indigent Defense Program. The Public Defender's Office received 9 additional staff (8 attorneys and 1 private investigator) to represent indigent individuals in the FY 1999-2000 budget, and as of October 1, 1999, was able to provide attorneys for indigent individuals with arraignment hearings in Department 11. Therefore, since October 1, 1999, the Indigent Defense Program provides private defense attorneys to indigent individuals if the Public Defender determines that a conflict of interest exists, but no longer provides private defense attorneys to indigent individuals arraigned in Department 11.

As shown in the Attachment, provided by the Superior Court, in FY 1998-99, the Indigent Defense Program paid for 5,023 cases, which is 902 cases, or 21.9 percent, greater than the 4,212 cases paid in FY 1997-98. Mr. Taniguchi states that the projected number of cases in FY 1999-2000 is 3,980. According to Mr. Taniguchi, although the Public Defender did not assign attorneys to Department 11 until October 1, 1999, expenditures for the first three months of FY 1999-2000 (July 1, 1999 through September 30, 1999) were less than anticipated. Therefore, the Superior Court does not expect increased expenditures, resulting from increased Indigent Defense Program caseload, in FY 1999-2000. According to Mr. Taniguchi, the proposed



supplemental appropriation is due solely to the carry-over of unpaid private attorneys' bills from FY 1998-99.

As shown in the Attachment, in FY 1998-99 the Court overspent the \$5,900,000 budget for indigent defense by \$254,000. According to the Controller's Office, the additional \$254,000 expenditure for indigent defense was funded from surpluses within the FY 1998-99 Superior Court budget. Additionally, Mr. Taniguchi states in the Attachment, that \$140,000 in defense attorneys' bills in FY 1998-99 were submitted to the Controller but not authorized for payment because the appropriation had been exhausted. Mr. Taniguchi estimates that an additional \$360,000 to \$460,000 in unpaid defense attorney bills were carried into FY 1999-2000 and paid in the first three months of the fiscal year with the FY 1999-2000 appropriation. Mr. Taniguchi states that the expected shortfall for FY 1999-2000 is \$511,000 (estimated expenditures of \$6,411,000 less \$5,900,000 approved budget).

2. The proposed supplemental appropriation ordinance also requests \$50,000 to fund a proposed \$5 per hour rate increase for private investigators, working with private defense attorneys through the Indigent Defense Program, increasing the hourly rate for private investigators from \$35 per hour to \$40 per hour, an increase of 14.3 percent. The requested \$50,000 supplemental rate increase would fund the \$5 per hour rate increase for 10,000 hours of private investigator time for January 1, 2000 through June 30, 2000. According to Mr. Taniguchi, the \$35 per hour rate for private investigators was established in 1984 and has not been increased since.

Based on data provided by Mr. Taniguchi, the Indigent Defense Program expended \$892,625 for 25,503 hours of private investigator time in FY 1997-98 and \$963,790 for 27,536 hours of private investigator time in FY 1998-99, an 8 percent increase. As previously noted, the Superior Court expects that Indigent Defense Program caseload and expenditures in FY 1999-2000 will return to the caseload and expenditure level of FY 1997-98. Therefore, if private investigator hours in FY 2000-2001 are equal to private investigator hours in FY 1997-98 (25,503), the City's

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

increased costs resulting from the proposed \$5 per hour rate increase would be approximately \$127,515 in FY 2000-2001.

According to additional data provided by Mr. Taniguchi, the average hourly salary, including fringe benefits, for Public Defender Investigators (which includes both Investigators and Senior Investigators) in FY 1999-2000 is \$31.87. Mr. Taniguchi states that Public Defender's Office estimated indirect and administrative costs equal \$22.75 per hour, resulting in a total hourly Public Defender Investigator rate of \$54.62 per hour. Mr. Taniguchi states that the Public Defender Investigator rate of \$54.62 per hour (which includes both salary and fringe benefits as well as administrative costs) is 56 percent greater than the current \$35 per hour rate paid to private investigators through the Indigent Defense Program. Additionally, the estimated \$54.62 per hour rate is 36.5 percent greater than the proposed \$40 per hour rate. Mr. Taniguchi was unable to provide data on rates paid to private investigators in other Bay Area Counties or by private sector attorneys.

3. The Budget Analyst has reviewed the actual and projected expenditures for indigent defense on a monthly basis for Fiscal Years 1998-99 (12 months) and 1999-2000 (seven months; from July 1, 1999 through January 31, 2000). However, as explained in Mr. Taniguchi's memorandum (Attachment) the Trial Court is unable to provide an accounting of the number or the amount of such billings that were not paid in FY 1998-99 and held over to be paid from FY 1999-2000 appropriations. Therefore, it is not possible to determine whether or not the Trial Court's projections are reasonable at this time.

The Budget Analyst therefore recommends that one half of the \$508,000 amount requested for indigent defense expenditures, or \$254,000, be reserved pending additional data for such actual expenditures during the remainder of FY 1999-2000.

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

- Recommendation:**
1. Approve the supplemental appropriation in the requested amount of \$508,000 for indigent defense expenditures, placing \$254,000 on reserve.
  2. Approval of the \$50,000 portion of the request to pay for a proposed increase in the hourly rate for private investigators from \$35 to \$40 per hour is a policy matter for the Board of Supervisors.



# Superior Court of California County of San Francisco

ALAN CARLSON  
CHIEF EXECUTIVE OFFICER

NEAL I TANIGUCHI  
CHIEF FISCAL MANAGER

February 24, 2000

TO: Severin Campbell, Budget Analyst's Office  
FROM: Neal Taniguchi, Chief Fiscal Officer  
RE: Indigent defense expenditure data

You will find attached historical data collected from the City's accounting system on indigent defense expenditures. The data shows the following:

- We expect the indigent defense budget to run a shortfall of slightly over \$500,000 for FY1999-2000 (Estimated expenditures of \$8,411,000 less \$5,900,000 approved budget).
- Prior to the Public Defender conflicting out of Department 11 in March, 1998, conflicts panel expenditures were decreasing. Note the average monthly expenditures for each fiscal year. In FY1995-96, the Court spent approximately \$628,000 per month. In FY1996-97, the Court spent \$522,000 per month. In FY1997-98, prior to June, 1998, the Court spent \$489,000 per month. In FY1998-99, including June of 1998, the Court spent \$614,000 per month. Thus far, through November, 1999, the Court spent at rate of \$689,000 per month. The increase in the monthly average is due to the Public Defender conflicting out of Department 11.
- Expenditures always seem to decrease during December or January.
- The Court always incurs an "expenditure spike" at the end of the fiscal year. Invariably, attorneys and court staff rush to process their billings prior to the end of the fiscal year, either to expedite payment, to compensate for cases not billed in a timely manner, or to shift expenses to the current fiscal year (as was the case in FY1997-98). In FY 1998-99, the Court ended up shifting expenditures to this fiscal year due to a shortfall in the appropriation.
- Approximately \$500,000 to \$600,000. In FY1998-99 attorney bills related to the Department 11 issue, were pushed over into FY1999-2000 for payment. Approximately \$140,000 of these bills were paid with FY1999-2000 appropriations because we ran short of 98-99 funding, and the Controller's Office ceased authorizing payments midway through June. To the best of our knowledge, the remaining \$380,000 to \$460,000 were bills received by the Court in FY1998-99, but did not submit for payment until FY1999-2000.
- Note that in FY1998-99 our conflicts appropriation was \$5.9 million. However, the Controller's Office allowed us to overspend the budget by \$254,000, before it ceased authorizing payments in mid-June.

400 McAllister Street - Room 205  
San Francisco, CA 94102-4514  
ntaniguchi@sftc.org

Attachment

Page 2 of 2

- Through January 31, 2000, the Court incurred actual expenditures of \$4,211,624, or 71% of the budget of \$5,900,000. The Court will spend on indigent defense an estimated \$2,200,000, or approximately \$440,000 per month, over the remaining five months of the fiscal year.

In addition, you requested an estimate of the increase in criminal cases assigned to conflicts counsel in Department 11. The Court has not been able to determine the exact increase in cases, since our database only tracks attorney bills paid and total numbers of cases. However, we do know that attorney's billed for approximately 1,020 more cases in FY1998-99, than in previous years. This is the aggregate data we have:

1996-97	3,992 cases paid
1997-98	4,121 cases paid
1998-99	5,023 cases paid
1999-00	3,980 projected cases paid
1999-00	1,943 actual cases paid through December 31, 1999

If you should have questions about the expenditure and caseload data, please call me at 551-5727.



Memo to the Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

Item 3 – File 00-0242

**Department:** Mayor's Office

**Item:** Ordinance appropriating \$60,000 from the General Fund Reserve for the Gay, Lesbian, Bisexual, and Transgender Historical Society of Northern California.

**Amount:** \$60,000

**Source of Funds:** General Fund Reserve

**Description:** The proposed ordinance would appropriate \$60,000 to the Gay, Lesbian, Bisexual, and Transgender Historical Society of Northern California ("Historical Society") to provide for a shortfall in the Historical Society's FY 1999-2000 budget.

**Budget:** Attachment I, provided by the Historical Society, contains the Historical Society's budget for FY 1999-2000. This budget contains all of the Historical Society's revenue sources for FY 1999-2000, including all revenues previously allocated by the City to the Historical Society. Attachment II, provided by the Historical Society, includes a FY 1999-2000 expenditure budget for the proposed grant appropriation.

**Comments:**

1. According to Ms. Susan Stryker, Executive Director of the Gay, Lesbian, Bisexual, and Transgender Historical Society, the Historical Society was founded in 1985 as a community-based archive to collect, preserve, and promote an active knowledge of the history, arts, and culture of sexually diverse communities in Northern California.
2. As shown in the Historical Society's attached budget for FY 1999-2000, Ms. Stryker states that estimated expenditures of \$287,950 exceed estimated revenues of \$227,950 by \$60,000. This shortfall has been caused by increased salary and rent costs, according to Ms. Stryker. Therefore, the Historical Society is requesting that the City's General Fund make up the projected shortfall of \$60,000.

Memo to the Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

3. Ms. Stryker states that the Historical Society intends to secure full funding in its next fiscal year through its increased fundraising capacity, increased donor contributions, higher fees for services provided by the Historical Society, and greater diversification of its funding streams so that it will not need to request any financial support from the General Fund.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

**Provisional Budget, Calendar Year 2000** (as of 2.2.00)  
Center for the History of Sexual Diversity  
GLBT Historical Society of Northern California

**Projected Revenues**

Earned Income

Photocopy sales	\$ 1,500
Reprographic sales	\$ 500
Research Services	\$ 500
Investment income	\$ 1,000
Sublets	\$ 500
Royalties	\$ 2,500
Newsletter Sales/Ads	\$ 500

Memberships \$21,000

Donations/Contributions \$40,000

Events

Spring Art Affair (gross)	\$33,000
Fall Awards Dinner (gross)	\$20,000
Misc. Other	\$ 2,500

Grants (Awarded)

1999 San Francisco Fd.	\$15,000
1999 Friends/Fd. SFPL	\$15,000
1999 Haas, Jr. Fund	\$ 3,500 (restricted--strategic planning)
1999 Horizons Fd.	\$ 2,350 (restricted--fiscally sponsored project)
1999 Cal. Council. Hum.	\$ 3,400 (restricted--fiscally sponsored project)
1999 Creative Work Fund	\$ 200 (restricted--fiscally sponsored project)
2000 Inst. Sex. Minorities in the Military	\$ 350 (restricted--World War II Records Project)

Grants (Unidentified/Unsecured) \$30,000

CCSF Funds

CY 1999 GFTA	\$15,000
CY 1999 Supplemental	\$20,000
2000 Supplemental	\$60,000

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TOTAL: \$287,950

Profit/Loss = \$0.00

Source: GLBT Historical Society of Northern California

**Provisional Budget, Calendar Year 2000** (as of 2.2.00)  
Center for the History of Sexual Diversity  
GLBT Historical Society of Northern California

**Projected Expenses**

Rent	\$ 68,250
Utilities	\$ 3,000
Maint./Repairs	\$ 1,800
Telephone/Communications	\$ 3,500
Postage and Shipping	\$ 4,000
Insurance	\$ 3,000
Supplies/Equip: Office	\$ 9,600
Supplies/Equip: Archives	\$ 2,000
Supplies/Equip: Exhibitions	\$ 5,000
Supplies/Equip: Oral History	\$ 1,500
Salaries and Benefits	\$101,150
Consultants/contract employees	\$ 42,000
Accounting/Bookkeeping	\$ 5,000
Spring Art Affair Expenses	\$ 23,000
Fall Awards Dinner Expenses	\$ 11,000
Auto/Travel	\$ 2,250
Miscellaneous	\$ 1,900
<hr/>	
TOTAL	\$287,950



*GLBT Historical Society of Northern California*  
**Center for the History of Sexual Diversity**

February 22, 2000

ATTN: Alan Gibson

Mr. Gibson:

Please find below a break-down of expenses for the \$60,000 in supplemental funds we have recently requested (Item 3-File 00-0242), which goes before the Finance and Labor Committee on Wednesday, March 1, 2000.

As you may recall, we have requested a total of \$80,000 in supplemental funds from the City in FY 99-00, in addition to the \$15,000 awarded by Grants from the Arts (Hotel Tax Fund) in the current fiscal year. The \$15,000 from GFTA is made available on a reimbursement basis for general operating expenses, including salaries and overhead. One half of this amount (\$7500) can be billed for expenses incurred July 1-December 31, and we are in the process of preparing those invoices. We will bill for the other half of the year later in the spring. \$20,000 was awarded to us in August 1999 in the first round of supplemental budget disbursements. A member of our Board of Directors, Galen Leung, who happens to be a contracts manager in the City Public Health Department, is finalizing the terms of our contract with the City for the award of this \$20,000. Budget details of this award are being worked out separately from the request before you now.

Our rationale for approaching the City at this time was to help our organization weather a drastic (85%) increase in our rent that took effect in September, 1999. We asked for \$80,000 in total funds based on our projections for rent and utilities for an entire calendar year. Our actual annual rent for calendar year 2000 will be \$71,814.60. This does not include phone or internet services, office systems maintenance, or directly related administrative overhead costs. Clearly, the \$80,000 requested will be spent on the expenses for which we have requested supplemental budget funds.

We intend to use the \$60,000 we are currently requesting to pay the bulk of our rent and utilities for FY 99-00, which total \$63,961.65. The line items are divided into two sections. First, July 1, 1999--October 31, 1999, when are monthly expenses were in flux. Second, November 1, 1999--June 30, 2000, the end of CCSF FY 99-00.


Period: July 1, 1999--October 31, 1999

Basement Storage Area:	\$ 800	(4 months @ \$200/mo.)
Utilities (gas/electric):	\$1200	(4 months @ \$300/mo., av.)
Offsite Exhibit Storage:	\$ 665.85	(3 months [Aug-Oct] @ \$221.45/mo.)
Office/Archives Rent:	\$2762.75	(July)
Office/Archives Rent:	\$2762.75	(August)
		[2 weeks free rent at end of lease]
Office/Archives Rent:	\$5262.60	(September 15-October 14)
Office/Archives Rent:	\$2631.30	(October 15-October 31)
		<b>SUBTOTAL: \$16,085.25</b>

Period: November 1, 1999--June 30, 2000

Basement Storage	\$ 200	/mo.
Utilities (gas/electric)	\$ 300	/mo. av.
Offsite Exhibit Storage	\$ 221.95	/mo.
Office/Archives Rent	\$ 5262.60	/mo.
	= \$5984.55/mo. x 8 mos. =	<b>SUBTOTAL: \$47,376.40</b>
		<b>TOTAL: \$63,961.65</b>

Sincerely,

  
 Susan Stryker  
 Executive Director

*Mailing Address: P.O. Box 424280, San Francisco, CA 94142*  
*Research Room, Exhibit Space, Archives & Offices: 973 Market St., Suite 400, San Francisco, CA 94103*  
*Phone: (415) 777-5455 Fax: (415) 777-5576 E-mail: glhsnc@aol.com Web: www.glhs.org*





# City and County of San Francisco

## Meeting Minutes

### Finance and Labor Committee

Members: *Supervisors Leland Yee, Sue Bierman, Tom Ammiano*

Clerk: *Mary Red*

City Hall  
1 Dr. Carlton B.  
Goodlett Place  
San Francisco, CA  
94102-4689

Friday, March 03, 2000

1:00 PM

City Hall, Room 263

### Special Meeting

Members Present: Tom Ammiano, Mark Leno.

### Meeting Convened

*The meeting convened at 1:07 p.m. Supervisor Ammiano appointed Supervisor Leno to the Finance and Labor Committee for today only.*

000352 **[Emergency winter shelter for homeless gay/lesbian/bisexual/transgender youth]**  
**Supervisor Ammiano**

Hearing to consider release of reserved funds in the amount of \$54,290 to the Department of Public Health to fund an emergency winter shelter for homeless gay/lesbian/bisexual/transgender youth.

2/28/00, RECEIVED AND ASSIGNED to Finance and Labor Committee Sponsor requests this matter be heard at a Special committee meeting on March 3, 2000 at 1:00 p.m.

*Heard in Committee. Speakers: Monique Zmuda, Chief Financial Officer, Department of Public Health, Supervisor Leno; Jakkee Bryson; Sylvia Kundig; Harry Alieo, Noe Valley Merchants Association; Jerry Steiner; Mia, Mia's Flower Shop; Gracie Atherton, Noe Community Work Group; Darlene Crisp; Anastasia Yovanopoulos; Tawnee Walliry, Metropolitan Community Church; Supervisor Ammiano; Ted Lakey, Deputy City Attorney.*

**APPROVED AND FILED** by the following vote:

Ayes: 2 - Ammiano, Leno

### ADJOURNMENT

*The meeting adjourned at 1:32 p.m.*

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OF SAN FR

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**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

MAR - 3 2000

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PUBLIC LIBRARY

February 29, 2000

**TO:** Finance and Labor Committee  
**FROM:** Budget Analyst  
**SUBJECT:** March 3, 2000 Special Finance and Labor Committee Meeting  
Item 1 - File 99-00-0352

**Department:** Department of Public Health

**Item:** Hearing to consider release of reserved funds in the amount of \$54,290 for the Department Of Public Health to fund an emergency winter shelter for homeless gay/lesbian/transgender youth.

**Amount:** \$54,290

**Source of Funds:** General Fund Reserve

**Description:** On January 24, 2000 the Board of Supervisors approved a supplemental appropriation for \$54,290 to fund an emergency winter shelter program targeting lesbian, gay, bisexual, transgender, queer and questioning young adults, and placed the entire \$54,290 on reserve, pending the receipt of additional budget and staffing information. The proposed program would provide nine to ten beds per night at the Metropolitan Community Church located at 1508 Church Street, near the intersection of 26<sup>th</sup> Street in Noe Valley for the three month period beginning in early March and ending in early June of 2000.

Memo to Finance and Labor Committee  
March 3, 2000 Special Finance and Labor Committee Meeting

**Budget:** As shown in the Attachment to this report, provided by Ms. Anne Okubo of DPH, the proposed total budget of \$54,290 provides for personnel costs of \$35,390, start up costs of \$3,300 and operating expenses of \$15,400.

**Comments:** 1. Mr. Eric Politzer of Ark of Refuge, Inc. previously reported that Ark of Refuge provided emergency winter shelter for approximately 30 young adults per night at 1025 Howard Street in the South of Market area during the Winter of 1997-98, in response to El Nino and the displacement of homeless persons from Golden Gate Park. According to Mr. Politzer this FY 1997-98 shelter program, which extended for three months, was funded through a contract with the Department of Human Services. Mr. Politzer further advises that Ark of Refuge provided emergency winter shelter for approximately 30 young adults per night at the Eureka Valley Recreation Center on Collingwood Street in the Castro neighborhood during the Winter of 1998-99, at a cost of approximately \$70,000 for a ten-week program. This FY 1998-99 program was funded through a contract with the Mayor's Office of Community Development. According to Mr. Politzer, Ark of Refuge was selected on a sole source basis for the subject project because of their experience in providing similar projects during the past two winters.

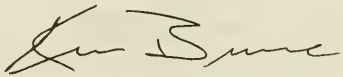
2. DPH has now entered into a new sole source contract with Ark of Refuge, Inc. to provide the requested services. As a result, Ms. Okubo reports that the proposed emergency shelter could open immediately, once the subject requested funds are approved. According to Ms. Okubo, Ark of Refuge also has a current contract with DPH to provide residential substance abuse treatment for HIV women at a cost of \$282,480 annually.

3. As shown in the Attachment, the proposed program will provide 12 staff under the proposed temporary three-month contract. In addition, as shown in the Attachment, the costs for the rent at

Memo to Finance and Labor Committee  
March 3, 2000 Special Finance and Labor Committee Meeting

the Metropolitan Community Church have been reduced from \$1,000 per month under the original supplemental appropriation request to \$500 per month under the proposed release of reserve, a reduction of \$500 per month, or \$1,500 over the three month period.

**Recommendation:** Approve the proposed release of reserved funds.

  
for Harvey M. Rose

cc: Supervisor Yee  
Supervisor Bierman  
President Ammiano  
Supervisor Becerril  
Supervisor Brown  
Supervisor Katz  
Supervisor Kaufman  
Supervisor Leno  
Supervisor Newsom  
Supervisor Teng  
Supervisor Yaki  
Clerk of the Board  
Controller  
Legislative Analyst  
Matthew Hymel  
Stephen Kawa  
Ted Lakey



(3) Blankets @ \$200, pillows @ \$250, pillow cases @ \$70, towels @ \$250, phone @ \$100, phone installation @ \$250, kitchen supplies @ \$250



City and County of San Francisco  
Meeting Minutes  
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

City Hall  
1 Dr. Carlton B.  
Goodlett Place  
San Francisco, CA  
94102-4689

Wednesday, March 08, 2000

10:00 AM

City Hall, Room 263

**Regular Meeting**

**Members Present:** Leland Y. Yee, Tom Ammiano.

**Members Absent:** Sue Bierman.

**Meeting Convened**

*The meeting convened at 10:08 a.m.*

**REGULAR AGENDA**

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MAR 10 2000

SAN FRANCISCO  
PUBLIC LIBRARY

**000169 [Management Audit Report, Clerk of the Board]**

**Supervisor Ammiano**

Hearing to consider the results of the management audit report conducted for the Clerk of the Board.

1/24/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Gloria L. Young, Clerk of the Board; Supervisor Ammiano; Supervisor Yee; Shelli Moreda, TechProse; Anastasia Yovanopoulos.*

**FILED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000384 [Appropriating \$502,008, Department of Elections, for new Vote Scanning System]**

**Supervisor Newsom**

Ordinance appropriating \$502,008 from the General Fund Reserve for temporary salaries, minor furnishings and equipment, for the new Vote Scanning System at the Department of Elections, for Fiscal Year 1999-2000. (Controller)

(Fiscal Impact)

3/1/00, DIVIDED. Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Naomi Nishioka, Department of Elections, Supervisor Yee, Ed Harrington, Controller; Supervisor Newsom. Divided from File 000244

3/1/00, CONTINUED. Continued to March 8, 2000.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Carol Roos, Legislative Analyst; Naomi Nishioka, Department of Elections.*

**RECOMMENDED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000242 [Appropriating funds to Gay and Lesbian Historical Society]****Supervisors Leno, Katz, Ammiano, Bierman**

Ordinance appropriating \$60,000 of General Fund Reserve for a one-time grant to the Gay and Lesbian Historical Society of Northern California, through the Mayor's Office, for fiscal year 1999-2000.

2/7/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

3/1/00, CONTINUED Continued to March 8, 2000.

*Sponsor requests that item be tabled*

**TABLED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000235 [Approving the concession leases of Travelex America, Inc. to operate two (2) ATM facilities at the Airport, at a minimum annual rent for the first year of \$240,500 for each lease]**

Resolution approving two Automated Teller Machine Leases for the existing and New International Terminal Buildings between Travelex America, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

2/4/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

3/1/00, CONTINUED. Continued to March 8, 2000.

*Continued to March 22, 2000.*

**CONTINUED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000236 [Approving the concession lease of Travelex America, Inc. to operate a foreign currency exchange office at the Airport, at a minimum annual rent for the first year of \$4,127,500]**

Resolution approving the Foreign Currency Exchange Lease in the Existing and New International Terminal Buildings between Travelex America, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

2/4/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

3/1/00, CONTINUED. Continued to March 8, 2000.

*Continued to March 22, 2000.*

**CONTINUED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000268 [Approving the concession lease of Host International, Inc. for a specialty store and newsstand located at the North Terminal Hub of the Airport, at a minimum annual rent for the first year of \$2,550,000]**

Resolution approving the North Terminal Hub Principal Retail Concession lease between Host International, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

2/8/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

3/1/00, CONTINUED Heard in Committee Speakers: Ken Bruce, Budget Analyst's Office; Jon Ballesteros, Airport Commission, Supervisor Ammiano; Ted Lakey, Deputy City Attorney Continued to March 8, 2000.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Jon Ballesteros, Airport Commission; Supervisor Yee; Supervisor Ammiano; Carl Cramer, Living Wage Coalition Continued to March 15, 2000*

**CONTINUED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000318 [Approving award of New International Terminal Fine Dining Restaurant Lease to GQC Holdings, Inc. at a minimum annual rent of \$134,300 for the first year.]**

Resolution approving New International Terminal Fine Dining Restaurant Lease to GQC Holdings, Inc., a certified disadvantaged business enterprise, and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

2/16/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Continued to March 22, 2000.*

**CONTINUED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000289 [Release of Funds, Fire Department]**

Hearing to consider release of reserved funds, Fire Department, (1986 Fire Protection Bond interest earnings, File 101-95-61: Ordinance No.127-96 ), in the amount of \$59,120 to fund the emergency repairs of the City's Auxiliary Water System (AWSS) facilities located at Third/Evans Streets, and Evans/Selby Streets. (Fire Department)

2/14/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Yee. Continued to March 15, 2000; no department representative present.*

**CONTINUED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**SPECIAL ORDER - 11:00 A.M.****991413 [Appropriation, \$175,000, Rent Arbitration Board Fact-Based Socio Economic Study]  
Supervisor Brown**

Ordinance appropriating \$175,000, Residential Rent Stabilization and Arbitration Board to fund a fact-based socio-economic study of the effects of the San Francisco Residential Rent Stabilization and Arbitration Ordinance (Administrative Code Chapter 37), for fiscal year 1999-2000.

(Companion measure to File 991412.)

8/16/99, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 9/15/1999

10/13/99, CONTINUED TO CALL OF THE CHAIR.

*Heard in Committee. Speakers: Joe Grubb, Executive Director, Rent Stabilization and Arbitration Board; Harvey Rose, Budget Analyst; Supervisor Brown; June Gutfleisch, Supervisor Bierman's Aide; Supervisor Ammiano; Anastasia Yovanopoulos; Carmen Ramirez; Jose Morales; Carol Arnold; Al Rose, FDR Disabled Club; Brook Turner, Coalition for Better Housing; Michelle Gordon; Marian Halley; Garry Briggs, Andrew Long; George Wong; Professor Donald Gibbs; UCSF; Tom Ramm; John Malone, Small Property Owners of S.F.; Jim Fabris, Association of Realtors; Calvin Welch; Phillip Brady, Youth Activist; Kathleen McNamara; Peter Chin; El Nino, Haight Ashbury Street Tenants Alliance; Norman Rolfe; Teresa Gonio; Marilyn Cosentino; Randy Shaw, Director, Tenderloin Housing Clinic; Kim Schlater; Linda Dunn; Peter Odilon; Jim Hewitt, Senior Housing Action Collaborative; Peter Lewis; Marie Pennington, Tenderloin Heights; Maureen Reem; Miguel Wooding; Rebecca Graft, Housing Rights Advocates; Garrett Jenkins, North of Market Housing Coalition; Teresa Day; Bill Quan; Matt Brown, St. Peters Housing Committee; Ted Gullicksen, S.F. Tenants Union; Jack McGoldrick, Richmond District; Sarah Short, Tenderloin Housing Clinic; Nancy Tucker; Lou Legnitto; Russ Charpentier; Janan New, S.F. Apartment Association. Amended to place \$175,000 on reserve*  
**AMENDED.**

Ordinance appropriating \$175,000, Residential Rent Stabilization and Arbitration Board to fund a fact-based socio-economic study of the effects of the San Francisco Residential Rent Stabilization and Arbitration Ordinance (Administrative Code Chapter 37), for fiscal year 1999-2000, placing \$175,000 on reserve.

(Companion measure to File 991412.)

To Board March 20, 2000.

**RECOMMENDED AS AMENDED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**991412 [Study of Rent Control Ordinance Socio-Economic Effects; Requiring Findings]**

**Supervisors Brown, Teng, Kaufman**

Ordinance amending Administrative Code "Residential Rent Stabilization and Arbitration Ordinance" (Rent Control Ordinance) by adding a new Section 37.6A to provide that the Residential Rent Stabilization and Arbitration Board shall obtain a neutral comprehensive fact-based socio-economic study of housing in San Francisco, including a study of whether there exists a housing shortage constituting a "crisis," and, if so, identifying the dimensions of that crisis; providing a goal of completing the study within one year; providing that proposed substantive amendments to the rent control ordinance must be supported by a fact-based study; and, findings in support of this ordinance.

(Adds Section 376A.)

8/16/99, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 9/15/1999

10/13/99, CONTINUED TO CALL OF THE CHAIR Heard in Committee Speakers In Support Teresa Gonio

2/7/00, SUBSTITUTED Submitted by Supervisor Brown in Board, bearing new title

2/7/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 3/8/2000

*Heard in Committee. Speakers Joe Grubb, Executive Director, Rent Stabilization and Arbitration Board, Harvey Rose, Budget Analyst, Supervisor Brown, June Gutfleisch, Supervisor Bierman's Aide, Supervisor Ammiano, Anastasia Yovanopoulos, Carmen Ramirez, Jose Morales, Carol Arnold, Al Rose, FDR Disabled Club, Brook Turner, Coalition for Better Housing, Michelle Gordon, Marian Halley, Garry Briggs, Andrew Long, George Wong, Professor Donald Gibbs, UCSF, Tom Ramm, John Malone, Small Property Owners of S.F., Jim Fabris, Association of Realtors, Calvin Welch, Phillip Brady, Youth Activist, Kathleen McNamara, Peter Chin, El Nino, Haight Ashbury Street Tenants Alliance, Norman Rolfe, Teresa Gonio, Marilyn Cosentino, Randy Shaw, Director, Tenderloin Housing Clinic, Kim Schlater, Linda Dunn, Peter Odion, Jim Hewitt, Senior Housing Action Collaborative, Peter Lewis, Marie Pennington, Tenderloin Heights, Maureen Reem, Miguel Wooding, Rebecca Graft, Housing Rights Advocates, Garrett Jenkins, North of Market Housing Coalition, Teresa Day, Bill Quan, Matt Brown, St. Peters Housing Committee, Ted Gullicksen, S.F. Tenants Union, Jack McGoldrick, Richmond District, Sarah Short, Tenderloin Housing Clinic, Nancy Tucker, Lou Legnitto, Russ Charpentier, Janan New, S.F. Apartment Association Amendment of the Whole relating to only the study of housing in San Francisco.*

**AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.**

Ordinance directing the Executive Director of the Residential Rent Stabilization and Arbitration Board to obtain a neutral comprehensive fact-based socio-economic study of housing in San Francisco; providing a goal of completing the study within one year; providing that substantive amendments to various housing ordinances and policies must be supported by findings of fact; and, findings in support of this ordinance.

To Board March 20, 2000.

**RECOMMENDED AS AMENDED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**ADJOURNMENT**

Meeting adjourned at 1:04 p.m.



CITY AND COUNTY



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## BOARD OF SUPERVISORS

## BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

March 2, 2000

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: March 8, 2000 Finance and Labor Committee Meeting

Item 2 - File 00-0384

Note: This item was severed from File 00-0244 by the Finance and Labor Committee at its March 1, 2000 meeting.

Department: Department of Elections

Item: Ordinance appropriating \$502,008 from the General Fund Reserve for temporary salaries, minor furnishings, and equipment for the new optical scan vote count system at the Department of Elections, for FY 1999-2000.

Amount: \$502,008

Source of Funds: General Fund Reserve

Description: The proposed ordinance would appropriate \$502,008 to the Department of Elections to allow it to (a) purchase ancillary information systems hardware and software upgrades, (b) purchase furniture and other infrastructure upgrades, and (c) hire additional temporary staffing required by the Department's new optical scan vote count system.

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Memo to Finance and Labor Committee  
March 8, 2000 Finance and Labor Committee Meeting

**Budget:** The attached budget in the amount of \$502,008 was provided by the Department of Elections.

**Comments:** 1. According to Ms. Naomi Nishioka of the Department of Elections, the Department of Elections plans to purchase a new optical scan vote count system for use in the November 7, 2000 general election. According to Ms. Nishioka, the new system is expected to be more efficient, permit faster voting and vote counting, and speed up write-in processing and counting of absentee ballots once signatures have been verified. A vendor, Election Systems and Software, Inc. (ES&S), was selected in March of 1999 following (a) a Request for Proposals process, (b) a customer service survey of selected San Francisco voters, and (c) a trial of the optical scan vote count system in 50 precincts during the November 1998 election. Mr. David Shipper of the City Attorney's Office states that finalization of a contract between the City and ES&S is awaiting approval of the funding for the acquisition of the new vote system. As the pending ES&S contract is for less than ten years and less than \$10,000,000, such a contract will not require Board of Supervisors approval, according to Mr. Shipper.

2. Ms. Nishioka states that the budget for the purchase of ES&S hardware and software is as follows:

<u>Expenditure Items</u>	<u>Amount</u>
ES&S hardware	\$2,862,000
ES&S software licenses	67,500
Non-ES&S equipment and software	<u>58,277</u>
<i>Subtotal:</i>	\$2,987,777
Sales Tax @ 8.5%	<u>253,961</u>
<i>TOTAL:</i>	<u>\$3,241,738</u>

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

3. Ms. Nishioka states that the total cost of \$3,241,738 would be funded initially by means of equipment lease financing. Under this form of financing, which would ensure that the equipment is purchased in time for the November 7, 2000 General Election, a selected lender would pay ES&S a total of \$3,241,738 for the hardware and software. The City's lease financing debt would then be retired through annual lease purchase payments appropriated in the Department of Election's future annual budgets. The lease term would be up to five years, according to Ms. Nishioka. The City has issued a Request for Qualifications in order to seek competitive interest rate bids from lenders for a total amount of \$3,241,738. According to Mr. Tony Fiore of the Purchasing Department, the Department of Elections, the City Attorney's Office, and the Purchasing Department are currently evaluating the bids received from lenders for their responsiveness and for the lenders' compliance with the Equal Benefits Ordinance. Mr. Fiore estimates that a contract could be signed with the selected lender by the end of March of 2000. Ms. Nishioka states that the initial lease purchase payments for acquisition of the ES&S hardware and software will be included in the Department of Elections FY 2000-2001 budget in the approximate amount of \$767,000.

4. According to Ms. Theresa Alvarez of the City Attorney's Office, the City would have the option to repay the lender on any payment date set forth in the financing agreement between the lender and the City. Such repayment would be funded by proceeds derived from the equipment lease revenue bonds issued by the nonprofit City and County of San Francisco Finance Corporation in November pursuant to the City's equipment lease revenue program. If a lump sum repayment is made after acquisition of the new vote count system for the November 7, 2000 General Election, then the equipment lease financing would act as a funding "bridge" between the purchase of equipment in early 2000, to ensure that it would be operational

Memo to Finance and Labor Committee  
March 8, 2000 Finance and Labor Committee Meeting

in time for the November 7, 2000 General Election, and the Finance Corporation's issuance of equipment lease revenue bonds in November of 2000.

5. According to Ms. Nishioka, ES&S ancillary services in the value of \$145,900 would be provided free-of-charge to the City during FY 2000-2001. Such services would include acceptance testing of precinct and central ballot counters; ballot generation; vote counting; and storage, delivery, set up, and pick up of precinct counters. Ms. Nishioka states that between FY 2001-2002 and FY 2004-2005, ES&S would provide equivalent ancillary services at a cost of \$794,400 under a personal services contract between ES&S and the City which has been approved in principle by the Civil Service Commission but which has not yet been signed. Funding for ES&S ancillary services would be requested as part of the Department of Election's annual budget appropriations, according to Ms. Nishioka.

6. Ms. Nishioka states that, in order to ensure a smooth conversion to the new system, during FY 1999-2000 (a) ancillary information systems hardware and software need to be upgraded at an estimated cost of \$112,200, (b) furniture and other infrastructure need to be upgraded at an estimated cost of \$289,808, and (c) temporary City staff with project management skills need to be hired to support a wide variety of planning activities at an estimated cost of \$100,000. The Attachment contains detailed budgets in the amounts of \$112,200 for the information systems hardware and software upgrades, and \$289,808 for furniture and other infrastructure upgrades. The Budget Analyst has reviewed vendor price quotations for the equipment specified and found that the budget amounts requested are reasonable. With regard to the line-item budget for voting booths, the proposed amount of \$250,000 would purchase 5,303 voting booths at an approximate cost of \$47.14 per booth (inclusive of trade-in).

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance and Labor Committee  
March 8, 2000 Finance and Labor Committee Meeting

7. The attached budget also contains a \$100,000 line item for temporary project management staff. Mr. Ara Minasian of the Department of Administrative Services states that this \$100,000 budget was determined by the Elections Council which comprises the Controller, the City Administrator, and a representative of the City Attorney's Office. According to Controller Ed Harrington, the Elections Council strongly recommends funding for necessary project management and critical technical resources to ensure that the new optical scan vote count system is implemented successfully by the November 7, 2000 general election. Mr. Harrington adds that details on such project management staffing will be identified during the remainder of FY 1999-2000 and specifically enumerated in the proposed FY 2000-2001 budget.

**Recommendations:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS  
BUDGET ANALYST



**Department of Elections**  
**Voting System Replacement Project Budget for FY 99-00**  
**(excluding voter registration scanning equipment)**

<b>Information Systems Hardware and Software</b>	<b>Quantity</b>	<b>Price</b>	<b>Amount</b>
<b>Network Server Equipment</b>			
Server	1	\$ 30,000	\$ 30,000
Server Rack	1	3,000	3,000
Server Rack Conversion Kit	1	500	500
Memory Upgrade - Existing Server	4	400	1,600
Memory Upgrade - Vote Count	3	250	750
Subtotal			35,850
<b>Desktop Computers</b>			
Computers	40	1,100	44,000
Laptops	6	3,500	21,000
Subtotal			65,000
<b>Monitors</b>			
Regular - 17"	17	250	4,250
Flat Screen AV Counter	5	900	4,500
Subtotal			8,750
<b>Misc Hardware</b>			
Projectors Screens	2	300	600
ZIP Drive, CDRW Drive	1	1,000	1,000
Subtotal			1,600
<b>Software</b>			
Misc Software Upgrades	1	1,000	1,000
Subtotal			1,000
<b>Subtotal - IS Hardware and Software</b>			<b>112,200</b>
<b>Other Furnishings</b>			
Voting Booths			250,000
Op-Contract / Data Entry Workstations	12		29,563
Absentee Ballot Cages	2	220	440
Absentee/VRC Carts	5	261	1,305
Absentee Ballot Sealer	1	4,000	4,000
Absentee Ballot Sorting Bins	2	500	1,000
Absentee Letter Opener Attachment	1	3,000	3,000
VRC Storage Trays	100	5	500
<b>Subtotal - Other Furnishings</b>			<b>289,808</b>
<b>Project Management</b>			<b>100,000</b>
<b>Total Project Budget for FY 99-00</b>			<b>\$ 502,008</b>



Memo to the Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

Item 3 – File 00-0242

**Note:** This item was continued by the Finance and Labor Committee at its meeting of March 1, 2000.

**Department:** Mayor's Office

**Item:** Ordinance appropriating \$60,000 from the General Fund Reserve for the Gay, Lesbian, Bisexual, and Transgender Historical Society of Northern California.

**Amount:** \$60,000

**Source of Funds:** General Fund Reserve

**Description:** The proposed ordinance would appropriate \$60,000 to the Gay, Lesbian, Bisexual, and Transgender Historical Society of Northern California ("Historical Society") to provide for a shortfall in the Historical Society's FY 1999-2000 budget.

**Budget:** Attachment I, provided by the Historical Society, contains the Historical Society's budget for FY 1999-2000. This budget contains all of the Historical Society's revenue sources for FY 1999-2000, including all revenues previously allocated by the City to the Historical Society. Attachment II, provided by the Historical Society, includes a FY 1999-2000 expenditure budget for the proposed grant appropriation.

**Comments:** 1. According to Ms. Susan Stryker, Executive Director of the Gay, Lesbian, Bisexual, and Transgender Historical Society, the Historical Society was founded in 1985 as a community-based archive to collect, preserve, and promote an active knowledge of the history, arts, and culture of sexually diverse communities in Northern California.

2. As shown in the Historical Society's attached budget for FY 1999-2000, Ms. Stryker states that estimated expenditures of \$287,950 exceed estimated revenues of \$227,950 by \$60,000. This shortfall has been caused by increased salary and rent costs, according to Ms. Stryker. Therefore, the Historical Society is requesting that the City's General Fund make up the projected shortfall of \$60,000.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to the Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

3. Ms. Stryker states that the Historical Society intends to secure full funding in its next fiscal year through its increased fundraising capacity, increased donor contributions, higher fees for services provided by the Historical Society, and greater diversification of its funding streams so that it will not need to request any financial support from the General Fund.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

**Provisional Budget, Calendar Year 2000** (as of 2.2.00)  
Center for the History of Sexual Diversity  
GLBT Historical Society of Northern California

**Projected Revenues**

Earned Income

Photocopy sales	\$ 1,500
Reprographic sales	\$ 500
Research Services	\$ 500
Investment income	\$ 1,000
Sublets	\$ 500
Royalties	\$ 2,500
Newsletter Sales/Ads	\$ 500

Memberships \$21,000

Donations/Contributions \$40,000

Events

Spring Art Affair (gross)	\$33,000
Fall Awards Dinner (gross)	\$20,000
Misc. Other	\$ 2,500

Grants (Awarded)

1999 San Francisco Fd.	\$15,000
1999 Friends/Fd. SFPL	\$15,000
1999 Haas, Jr. Fund	\$ 3,500 (restricted--strategic planning)
1999 Horizons Fd.	\$ 2,350 (restricted--fiscally sponsored project)
1999 Cal. Council. Hum.	\$ 3,400 (restricted--fiscally sponsored project)
1999 Creative Work Fund	\$ 200 (restricted--fiscally sponsored project)
2000 Inst. Sex. Minorities in the Military	\$ 350 (restricted--World War II Records Project)

Grants (Unidentified/Unsecured) \$30,000

CCSF Funds

CY 1999 GFTA	\$15,000
CY 1999 Supplemental	\$20,000
2000 Supplemental	\$60,000

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TOTAL: \$287,950

Profit/Loss = \$0.00

Source: GLBT Historical Society of Northern California

**Provisional Budget, Calendar Year 2000** (as of 2.2.00)  
Center for the History of Sexual Diversity  
GLBT Historical Society of Northern California

**Projected Expenses**

Rent	\$ 68,250
Utilities	\$ 3,000
Maint./Repairs	\$ 1,800
Telephone/Communications	\$ 3,500
Postage and Shipping	\$ 4,000
Insurance	\$ 3,000
Supplies/Equip: Office	\$ 9,600
Supplies/Equip: Archives	\$ 2,000
Supplies/Equip: Exhibitions	\$ 5,000
Supplies/Equip: Oral History	\$ 1,500
Salaries and Benefits	\$101,150
Consultants/contract employees	\$ 42,000
Accounting/Bookkeeping	\$ 5,000
Spring Art Affair Expenses	\$ 23,000
Fall Awards Dinner Expenses	\$ 11,000
Auto/Travel	\$ 2,250
Miscellaneous	\$ 1,900
<hr/>	
TOTAL	\$287,950



*GLBT Historical Society of Northern California*  
**Center for the History of Sexual Diversity**

February 22, 2000

ATTN: Alan Gibson

Mr. Gibson:

Please find below a break-down of expenses for the \$60,000 in supplemental funds we have recently requested (Item 3-Fite 00-0242), which goes before the Finance and Labor Committee on Wednesday, March 1, 2000.

As you may recall, we have requested a total of \$80,000 in supplemental funds from the City in FY 99-00, in addition to the \$15,000 awarded by Grants from the Arts (Hotel Tax Fund) in the current fiscal year. The \$15,000 from GFTA is made available on a reimbursement basis for general operating expenses, including salaries and overhead. One half of this amount (\$7500) can be billed for expenses incurred July 1-December 31, and we are in the process of preparing those invoices. We will bill for the other half of the year later in the spring. \$20,000 was awarded to us in August 1999 in the first round of supplemental budget disbursements. A member of our Board of Directors, Galen Leung, who happens to be a contracts manager in the City Public Health Department, is finalizing the terms of our contract with the City for the award of this \$20,000. Budget details of this award are being worked out separately from the request before you now.

Our rationale for approaching the City at this time was to help our organization weather a drastic (85%) increase in our rent that took effect in September, 1999. We asked for \$80,000 in total funds based on our projections for rent and utilities for an entire calendar year. Our actual annual rent for calendar year 2000 will be \$71,814.60. This does not include phone or internet services, office systems maintenance, or directly related administrative overhead costs. Clearly, the \$80,000 requested will be spent on the expenses for which we have requested supplemental budget funds.

We intend to use the \$60,000 we are currently requesting to pay the bulk of our rent and utilities for FY 99-00, which total \$63,961.65. The line items are divided into two sections. First, July 1, 1999--October 31, 1999, when are monthly expenses were in flux. Second, November 1, 1999--June 30, 2000, the end of CCSF FY 99-00.

Period: July 1, 1999--October 31, 1999

Basement Storage Area:	\$ 800	(4 months @ \$200/mo.)
Utilities (gas/electric):	\$1200	(4 months @ \$300/mo., av.)
Offsite Exhibit Storage:	\$ 665.85	(3 months [Aug-Oct] @ \$221.45/mo.)
Office/Achives Rent:	\$2762.75	(July)
Office/Achives Rent:	\$2762.75	(August)
		[2 weeks free rent at end of lease]
Office/Achives Rent:	\$5262.60	(September 15-October 14)
Office/Achives Rent:	\$2631.30	(October 15-October 31)
		<b>SUBTOTAL: \$16,085.25</b>

Period: November 1, 1999--June 30, 2000

Basement Storage	\$ 200	/mo.
Utilities (gas/electric)	\$ 300	/ mo. av.
Offsite Exhibit Storage	\$ 221.95	/mo.
Office/Achives Rent	\$ 5262.60	/mo.
	= \$5984.55/mo. x 8 mos. =	<b>SUBTOTAL: \$47,876.40</b>

**TOTAL: \$63,961.65**

Sincerely,

Susan Stryker  
 Executive Director

Mailing Address: P.O. Box 424280, San Francisco, CA 94142  
 Research Room, Exhibit Space, Archives & Offices: 973 Market St., Suite 400, San Francisco, CA 94103  
 Phone: (415) 777-5455 Fax: (415) 777-5576 E-mail: glhsnc@aol.com Web: www.glhs.org

Memo to Finance and Labor Committee  
March 8, 2000 Finance and Labor Committee Meeting

Item 4 - File 00-0235

**Department:** Airport

**Item:** Resolution approving two new automated teller machine leases for the new International Terminal between Travelex America, Inc. and the City and County of San Francisco, acting by and through its Airport Commission.

**Location:** New International Terminal Complex of the Airport.

**Purpose of Leases:** The proposed two new leases would provide space in the new International Terminal for 20 to 22 automated teller machines (ATM), at ten different locations. Travelex America, Inc. would install and operate the proposed ATMs. Travelex America, Inc. is required to install at least two ATMs at each of the ten locations, and has the option to install a third ATM at two of the ten locations, resulting in a maximum of 22 ATMs. The Airport issued two separate leases to operate ATMs in order to provide lease opportunities to as many companies as possible, however, Travelex America, Inc. was the only company to submit bids for the two subject leases (See below "Description" section).

**Lessor:** City and County of San Francisco, acting by and through its Airport Commission.

**Lessee:** Travelex America, Inc., a Delaware Corporation

**Monthly Rental Revenues Payable by Travelex America, Inc. to the Airport:** \$20,125 monthly for each lease, for a total of \$40,250 per month for both leases (\$241,500 annually per lease, or \$483,000 annually for both leases.)

**Annual Rental Revenues Payable by Travelex America, Inc. to the Airport:** Beginning from the first year of the lease, and through the duration of the five-year lease period.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



the base annual rent payable by Travelex America, Inc. to the Airport includes the Minimum Annual Guarantee of \$241,500 for each lease, for a total of \$483,000 per year, subject to Consumer Price Index (CPI) annual adjustments. The \$483,000 total Minimum Annual Guarantee for both leases applies to the ten proposed ATM locations, regardless of whether Travelex installs 20 or 22 ATMs. In addition to the Minimum Annual Guarantee of \$241,500 for each lease, Travelex America, Inc. would pay to the Airport *Percentage Rent* and *Transaction Rent*, defined as follows:

*"Percentage Rent" means rent paid in addition to and without set off against the [Minimum Annual Guarantee], in an amount equal to thirty-three percent (33%) of any Transaction Surcharge and/or changes for Optional Uses [defined as shown in Attachment I to this report] approved by Director and charged to ATM Customers who use the ATMs on the Premises.*

*"Transaction Rent" means rent paid in addition to and without set off against the [Minimum Annual Guarantee], in an amount equal to ten cents (\$0.10) for each Customer Use of Tenant's ATM on the Premises except that Transaction Rent shall not be payable with respect to 1) ATM Customer Use as to which Percentage Rent is payable, and 2) ATM Customer Use for which no transaction is completed due to reject of a customer's card or aborting by the customer of the ATM Customer Use prior to concluding any transaction.*

According to Mr. Bob Rhoades of the Airport, the Airport has not projected future revenues to be paid by Travelex to the Airport, in addition to the Minimum Annual Guarantee of \$241,500 for each lease, based on anticipated Percentage and Transaction Rent payments. Mr. Rhoades advises that estimating demand for the new ATMs and related surcharge revenues is difficult since the ATMs will be located in a new building, for which

Memo to Finance and Labor Committee  
March 8, 2000 Finance and Labor Committee Meeting

there is no historical data for making such forecasts.

However, according to Mr. Rhoades, Travelex stated in its bid to the Airport that it plans to request permission from the Airport Director to impose a transaction surcharge on all ATM customers, as stated in Attachment II, provided by the Airport. Under the terms of the lease, Travelex may not charge a transaction surcharge of more than \$1.50 per customer use, and Travelex would pay the Airport 33 percent of those surcharges. Under the terms of the lease, Travelex America, Inc. must have written approval from the Airport Director to impose a transaction surcharge, as stated in the lease as follows:

*Tenant shall not charge Transaction Surcharges except as approved by Director [emphasis added]. The Maximum amount of any such Transaction Surcharge that may be approved shall be \$1.50 per Customer Use. The amount of any such Transaction Surcharge and a clear description of the customers to which it applies must be posted in a clearly visible manner on the exterior of the ATM unit, or stated clearly through the ATM's electronic display requesting the Customer if they agree to continue the transaction with a Transaction Surcharge before the Customer Use is completed...Transaction Surcharges shall be subject to Percentage Rent as described in the lease.*

Attachment II also contains: (a) the companies that currently hold leases with the Airport for ATMs in the Airport, (b) the annual Minimum Annual Guarantees paid by each of these companies to the Airport for the ATMs, and (c) the total combined surcharge revenues of \$315,192 paid to the Airport by these companies for the ATM leases during 1999.

Memo to Finance and Labor Committee  
March 8, 2000 Finance and Labor Committee Meeting

<b>Term of Lease:</b>	The two proposed leases would commence on September 26, 2000. Each lease would be for a five year period, terminating on September 25, 2005.
<b>Right of Renewal:</b>	The Airport would have sole discretion to grant two one-year extensions for each lease.
<b>Utilities and Janitorial Provided by Lessor:</b>	The Lessee pays for the costs of all utilities and janitorial services.
<b>Description:</b>	<p>On August 17, 1999, the Airport Commission requested bids for two Automated Teller Machine Leases for the new International Terminal Building. Subsequently, on December 21, 1999, the Airport Commission adopted a resolution awarding the two leases to Travelex America, Inc., the sole bidder (Resolution No. 99-0458). According to Mr. Rhoades, the sole bidder, Travelex America, Inc., submitted a Minimum Annual Guarantee bid of \$241,500. Mr. Rhoades advises that the Airport issued Invitations to Bid for the two ATM leases to 141 firms. Mr. Rhoades advises that the Airport decided to issue two separate leases, to operate 10 to 11 ATMs each, in order to provide lease opportunities to as many companies as possible. Attachment II also explains why the Airport received only one bid to operate the ATMs at the Airport.</p> <p>Under the two proposed leases, Travelex America, Inc. would install and operate 20 to 22 ATMs, at ten different locations throughout the new International Terminal. The ATMs would operate 24 hours a day, seven days a week.</p>
<b>Tenant Improvements:</b>	The Lessee would be required, at its sole cost, to design and construct the ATM enclosures, including all fixtures, furnishings and equipment necessary to Travelex America Inc.'s operations under the subject lease. Travelex America, Inc.'s costs for these improvements shall not be less than \$5,000 per ATM, or \$100,000 to \$110,000 for all 20 to 22 ATMs. This minimum of \$5,000 does not include the cost of purchasing and installing the ATMs themselves. According to Mr. Rhoades, the Airport

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

requires a minimum of \$5,000 in improvements per ATM to ensure that Travelex America, Inc. constructs ATM enclosures consistent with the design, materials and quality of the new International Terminal.

**Comments:**

1. Mr. Rhoades anticipates that all 20 to 22 ATMs in the new International Terminal will be completed by August 15, 2000. Mr. Rhoades advises that the Airport's new International Terminal is now scheduled to open September 26, 2000, or three months later than the previously estimated opening date of June 26, 2000, in order to allow the Airport time to test the new facilities.

2. Item 5, File 00-0236 of this report to the Finance and Labor Committee, pertains to another proposed Airport lease to Travelex America, Inc. to provide Foreign Currency Exchange facilities at various locations in the Airport.

3. In November of 1999, the voters of San Francisco approved Proposition F to prohibit banks and other financial institutions from charging a fee to persons who do not have an account with that bank or financial institution, for use of that bank or financial institution's automated teller machines in San Francisco. These fees are often in addition to fees charged to the customer by the customer's own bank. In response to passage of Proposition F, Bank of America, Wells Fargo and the California Bankers' Association sued the City, arguing that the City had no authority to restrict the fees that banks charge customers. In November of 1999, a U.S. District Court Judge granted a preliminary injunction preventing the City from enacting Proposition F. According to Mr. Marc Slavin of the City Attorney's Office, the City is currently appealing that injunction. Mr. Slavin advises that the City Attorney's Office has not yet formally determined whether Proposition F's restriction on surcharge fees would apply to ATMs at the Airport.

4. Mr. Slavin advises that the City Attorney's Office has not yet formally determined whether Travelex America, Inc. fits the definition of "bank or financial institution," as defined in Proposition F. However, if the City Attorney's Office determines that Travelex America, Inc. does fall within the purview of Proposition F and that Proposition F applies to ATMs at the Airport, and if Proposition F is upheld in the courts, then Travelex America, Inc. would be prohibited from charging the proposed surcharge of up to \$1.50.

As previously reported, the Airport has not estimated the amount of revenues that would be generated by such proposed surcharges. However, in accordance with the proposed lease provisions, the Airport would receive 33 percent of these surcharge revenues from Travelex America, Inc.

5. The Budget Analyst notes that under the proposed leases, the Airport Director would have the authority to approve such transaction surcharges of up to \$1.50 per customer use. Given the recent approval of Proposition F by the San Francisco voters, the current legal status of this issue, and the potential for Travelex America, Inc. to be affected by this Proposition, the Budget Analyst considers approval of the proposed resolution to be a policy matter for the Board of Supervisors.

**Recommendation:**

Approval of the proposed resolution is a policy matter for the Board of Supervisors.



**EXHIBIT B**  
**USE AND OPERATIONAL REQUIREMENTS**

1. **GENERAL REQUIREMENTS:** All ATM Services shall be provided on a non-exclusive basis, and Airport reserves the right to sell and to permit other Airport tenants to provide such services. Tenant may not offer any services not described below as being "Required" or "Optional", without Director's prior consent.
2. **REQUIRED/OPTIONAL SERVICES:** In the event Director permits any service to be sold or offered that is not listed below, or otherwise permits any other change in the Permitted Use, this Exhibit shall be deemed amended without need for a formal amendment of this Lease. Tenant shall be required to operate the Premises in accordance with the requirements, and offer the service, as described below:

**A. Required Uses:**

Tenant shall provide the following services, on a non-exclusive basis.

1. Dispense United States currency.
2. Provide access to network support form no less than four of the following networks: Plus, Star, Cirrus, GlobalAccess and Interlink and accept no less than four of the following credit cards: American Express, Diner's Club, MasterCard, Visa, Discover Novus Card.
3. Provide a written receipt of each transaction.
4. Provide display functions on user operation
5. Display transaction fee surcharge information

**B. Optional Uses:**

Tenant may provide, on a non-exclusive basis, the following "Optional Use, as approved in writing by the Director. Any "Optional Use" for which Tenant receives or charges a commission, surcharge or other fee shall be subject to payment of percentage rent as described in Section 4 of the Lease.

1. Provide access to financial networks and credit cards other than those required under *Exhibit B 2.A.2*, hereto
2. Dispense traveler's checks.
3. Dispense United States postage stamps at face value.
4. Provide tickets for San Francisco regional area cultural, performing arts and sporting events.
5. Dispense airline tickets.

6. Display animated software graphics
7. Accept deposits to accounts.
8. Handle debit card transactions.
9. Other services consistent with the operations of ATMs that can be demonstrated to benefit customers and the traveling public, if and as approved by the Airport Director.

### 3. PROHIBITED USES/SERVICE

Tenant understands and agrees that the following products or services are not included within the Permitted Use, without the prior written consent of Director, which consent may be granted or denied in Director's absolute and sole discretion.

1. Any and all sales of phone cards
2. Dispense or exchange foreign currency
3. Offer gambling of any kind
4. Display advertising, except that electronic display of Tenant's services during "wait" times while transactions are processing shall not be deemed to be advertising prohibited hereunder
5. Sell any type of merchandise

### 4. OPERATIONS

#### A. Hours of Operations

Each ATM shall operate twenty-four (24) hours a day, seven (7) days a week including holidays.

#### B. Maintenance and Operation of Units

ATMs must be capable of handling, via telephone link, access to accounts for transactions including withdrawals, deposits and charges against credit lines. Without limiting the generality of Section 3.11 [Compliance with Laws], Tenant shall cause the operation of ATMs to be in compliance with all Governmental, Banking and FAA Regulations, including security requirements and Airport Rules and Regulations. Tenant shall be responsible for the secure transport of cash and receipts to and from each specific ATM location. Pursuant to FAA Regulations, no arms are permitted beyond the security checkpoints. Airport police shall not be responsible for escorting ATM service personnel.

The ATMs and each location will be kept in clean, dust free, neat and first-class business-like and orderly condition at all times. The ATMs will be serviced and monitored in a manner that ensures the continual and uninterrupted operation of each unit. The Airport Director may require more frequent servicing and stocking upon written notice to Tenant. Failure to maintain and service units according to the aforesaid standard will result in the imposition of

progressively stringent fines, as provided in Section 15.8 hereto. Emergency service response should be available within ninety (90) minutes of notice. Except for emergency response, servicing of the ATM units must be done during off-peak hours of 2:30 p.m. through 5:30 p.m. and 8:30 p.m. through 5:30 a.m. or other hours as may be designated in writing from time to time by Director.

**C. Informational Displays**

Tenant shall provide and display at each ATM unit all written directions necessary to instruct customers in the operation of the ATM. Tenant shall also provide, either through the ATM's electronic display or affixed to the ATM, information for the obtaining machine services and/or refunds. Tenant shall not place or install any racks, stands or other display on any Airport property outside the Premises.

**D. Transaction Surcharges**

Tenant shall not charge Transaction Surcharges except as approved in writing by Director. The Maximum amount of any such Transaction Surcharge that may be approved shall be \$1.50 per Customer Use. The amount of any such Transaction Surcharge and a clear description of the customers to which it applies must be posted in a clearly visible manner on the exterior of the ATM unit, or stated clearly through the ATM's electronic display requesting the Customer if they agree to continue the transaction with a Transaction Surcharge before the Customer Use is completed. Any Transaction Surcharges charged by Tenant must be consistent throughout the Airport and cannot exceed charges at other locations in Tenant's system. Transaction Surcharges shall be subject to Percentage Rent as described in the Lease.

**E. Management**

Tenant shall select and appoint a full-time experienced manager fully authorized to represent and act on behalf of Tenant providing an emergency contact number on a twenty-four (24) hour basis.

Tenant shall not staff the ATM locations, conduct other business, provide other services or sell any type of merchandise. No brochures or advertising will be displayed without prior written approval from the Airport Director

The provisions set fourth in this *Exhibit B* shall be in addition to and not in limitation of the other provisions in the Lease.

San Francisco International Airport

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**AIRPORT COMMISSION  
SAN FRANCISCO INTERNATIONAL AIRPORT  
CITY AND COUNTY OF SAN FRANCISCO**

**MEMORANDUM**

**AIRPORT  
COMMISSION  
CITY AND COUNTY  
OF SAN FRANCISCO**

**WILLIE L. BROWN, JR.  
MAYOR**

**HENRY E. BERMAN  
PRESIDENT**

**LARRY MAZZOLA  
VICE PRESIDENT**

**MICHAEL S. STRUNSKY**

**LINDA S. CRAYTON**

**CARYL ITO**

**JOHN L. MARTIN  
AIRPORT DIRECTOR**

**TO:** Emilie Neumann  
Budget Analyst's Office

**DATE:** February 24, 2000

**FROM:** Jon Ballesteros

**SUBJECT:** File #000235 - Airport ATM Services Lease

Below please find the background information you requested regarding the Resolution before the Board of Supervisors approving the Airport's Lease for ATM Services.

**SURCHARGES**

Travelex America, Inc. plans to charge a surcharge as permitted in Exhibit B. The amount of the surcharge will not exceed \$1.50.

The Airport will receive 33% of any surcharge Travelex charges.

**CURRENT ATM LEASE AGREEMENTS**

Bank of America currently has two Leases with ATM Machines: Lease L86-0039 has two bank branches and eight ATM machines and a MAG of \$214,160 (plus additional surcharge and transaction rents) and Lease L97-0039 has six ATM machines and a MAG of \$107,451 (plus additional surcharge and transaction rents).

Wells Fargo Bank Lease 97-0293 has 10 ATM machines and a MAG of \$187,472 (plus additional surcharge and transaction rents).

The total amount of transaction fee and surcharge revenues generated by the leases in calendar year 1999 equaled \$315,192.

Emilie Neumann  
February 24, 2000  
Page 2

### ESTIMATED ANNUAL RENTAL REVENUES

Travelex America, Inc. was the sole responsive bidder, and Travelex America, Inc. will execute both Leases, with the bid amount of \$241,500 which will be the minimum annual guarantee for each Lease for the first year. Travelex America, Inc. will pay the MAG for each Lease plus, additional surcharge and transaction rents.

There are no estimated forecasts for revenues generated from transaction fees at this time as these fees are based on user volume. Due to the fact that the ATM machines will be located in a building that did not exist previously, there is no historical data on which to make such forecasts.

### BIDDING PROCESS

The Airport offered Invitations to Bid for the ATM services lease to 158 firms. Staff received one bid from Travelex America, Inc. for \$241,500.

Bank of America and Wells Fargo Bank were invited to bid on these leases. However, both companies cited issues with the rent structure, the \$180,000 Minimum Bid, and the outcome of legal activity surrounding Proposition "F", the initiative that would prohibit ATM surcharges in San Francisco.

Memo to Finance and Labor Committee  
March 8, 2000 Finance and Labor Committee Meeting

Item 5 - File 00-0236

**Department:** Airport

**Item:** Resolution approving a new foreign currency exchange lease at the Airport between Travelex America, Inc. and the City and County of San Francisco, acting by and through its Airport Commission.

**Location:** Eleven different locations at the Airport, as identified in Attachment I, provided by the Airport.

**Purpose of Lease:** The proposed lease would provide approximately 1,229 square feet of space to operate foreign currency exchanges in 11 locations at the Airport, as identified in Attachment I, provided by the Airport.

**Lessor:** City and County of San Francisco, acting by and through its Airport Commission.

**Lessee:** Travelex America, Inc., a Delaware Corporation

**No. of Sq. Ft. and Monthly Rental Revenues Payable by Travelex America to the Airport:**

The proposed lease would include approximately a total of 1,229 square feet to operate ten foreign currency exchange facilities and one office for administration, as explained in Attachment I, provided by the Airport. The total rental revenues to be paid by Travelex America to the Airport would be approximately \$280 per square foot per month, or \$343,958 per month (\$4,127,500 annually).



**Annual Rental  
Revenues Payable by  
Travelex America  
to the Airport:**

Beginning from the first year of the lease, and through the duration of the five-year lease period, the base annual rent payable by Travelex America to the Airport will be the greater of the Minimum Annual Guarantee (MAG) of \$4,127,500, subject to Consumer Price Index (CPI) annual adjustments, or a passenger-based fee equal to eighty-eight cents (\$0.88) multiplied by the total number of enplanements (the total number of passengers boarding airline carriers for international flights).

Attachment II, provided by the Airport, shows: (a) the total estimated annual rental revenues from the eleven foreign currency exchange locations to be paid by Travelex America to the Airport annually, and (b) the total estimated revenues of \$22,355,871 to be paid to the Airport over the five year lease term. As shown in Attachment II, these estimates are based on the Minimum Annual Guarantee and are adjusted upward using projected increases in the Consumer Price Index (CPI). Attachment II also lists the two firms currently holding leases for foreign currency exchange locations at the Airport and the Minimum Annual Guarantee paid by each lessee.

**Term of Lease:**

The proposed lease would commence on September 26, 2000. The lease would be for a five year period, terminating on September 25, 2005.

**Right of Renewal:**

The Airport would have sole discretion to grant two two-year extensions for the lease.

**Utilities and Janitorial  
Provided by Lessor:**

The Lessee pays for the costs of all utilities and janitorial services.

**Description:**

On September 21, 1999, the Airport Commission requested bids for a lease to operate currency exchange facilities at 11 different locations in the Airport, as identified in Attachment I. Subsequently, on December 21, 1999 the Airport Commission adopted a resolution awarding the

lease to Traveler America, Inc, the highest responsive bidder (Resolution No. 99-0449). According to Mr. Bob Rhoades of the Airport, the Airport issued Invitations to Bid to 129 firms for the foreign currency exchanges at 11 locations in the Airport (See Attachment II). Attachment II also contains a list of all firms that submitted bids for this concession and the Minimum Annual Guarantees of each bidder. According to Mr. Rhoades, all firms submitting bids agreed to pay the greater of the Minimum Annual Guarantee of \$4,127,500 or the \$0.88 per passenger fee, as outlined in the proposed lease. However these firms were not required to include in their bids revenue projections based on this passenger fee.

**Tenant Improvements:**

Traveler America would be required to invest a minimum of \$184,200 in improvements to the subject lease space. This minimum investment amount of \$184,200 is based on \$200 a square foot for 921 square feet to be used for currency exchange facilities (out of the total 1,229 square feet covered by the subject lease). The minimum investment does not apply to the remaining 308 square feet designated for office space. According to Mr. Rhoades, these improvements include constructing the foreign currency exchange facilities, providing trade fixtures and hanging signs. Mr. Rhoades advises that the Airport requires a minimum of \$200 a square foot in improvements to ensure that Traveler America constructs currency exchange facilities consistent with the design, materials and quality of existing Domestic Terminals and the new International Terminal.

**Comments:**

1. Mr. Rhoades anticipates that all 11 foreign currency exchange facilities will be completed by August 15, 2000. Mr. Rhoades advises that the Airport's new International Terminal is now scheduled to open September 26, 2000, or three months later than the previously estimated opening date of June 26, 2000, in order to allow the Airport time to test the new facilities.

Memo to Finance and Labor Committee  
March 8, 2000 Finance and Labor Committee Meeting

2. Item No. 4, File 00-0235 of this report to the Finance and Labor Committee, pertains to two additional proposed Airport leases to Travelex America to provide automated teller machines (ATMs) in the Airport's new International Terminal.

**Recommendation:** Approve the proposed resolution.

**EXHIBIT A  
PREMISES**

<b>FOREIGN CURRENCY EXCHANGE LEASE LOCATIONS</b>	
<b>TERMINAL</b>	<b>LOCATION</b>
New International Terminal Pre-Security	<b>I.3.003F-</b> Great Hall North ticket island facing north across from food court. Approximately 69 square foot area.
New International Terminal Pre-Security	<b>I.3.014E-</b> Great Hall South ticket island facing south across from food court. Approximately 67 square foot area.
New International Terminal Pre-Security & Office space	<b>I.3.084D-</b> North Shoulder Building next to restrooms, hair salon and Discretionary Store. Approximately 150 square foot area. <b>I.3.084.E-</b> Office space located behind foreign currency retail space I.3.084D. Approximately 308 square foot area.
New International Terminal Boarding Area A Post-Security	<b>A.3.023-</b> Mid-Terminal next to food cluster across from phones. Approximately 138 square foot area.
New International Terminal Boarding Area G Two Locations Post-Security	(1) <b>G.3.004K-</b> Next to large duty free shop and restaurant bar before people mover. Approximately <u>213</u> square foot area. (2) <b>One</b> (1) Mobile Cart Location. * (not shown)
New International Terminal Arrivals Post-Security	<b>I.2.024B-</b> Southwest lobby area, behind Lodging Transportation and Attraction board across from escalators to Great Hall approximately 134 square foot area. <i>Space for <u>one</u> Automated Foreign Currency Exchange Machine at this location</i>
New International Terminal Arrivals	<b>I.2.007C-</b> Northwest lobby area, behind Lodging Transportation and Attraction board across from escalators to Great Hall approximately 150 square foot area. <i>Space for <u>one</u> Automated Foreign Currency Exchange Machine at this location.</i>
Domestic Terminals	Approximately Two (2) Mobile Cart Locations. * (not shown)

(See attached drawings)

TOTAL: 10 Locations (Approximately 921 sq. ft.) and 1 Office (Approximately 308 sq. ft.)

- \* All mobile cart locations shall be as designated by the Airport from time to time



San Francisco International Airport

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**AIRPORT COMMISSION  
SAN FRANCISCO INTERNATIONAL AIRPORT  
CITY AND COUNTY OF SAN FRANCISCO**

**MEMORANDUM**

**TO:** Emulic Neumann  
Budget Analyst's Office

**DATE:** February 24, 2000

**FROM:** Jon Ballesteros

**SUBJECT:** File #000236 – Airport Foreign Currency Exchange Lease

Below please find the background information you requested regarding the Resolution before the Board of Supervisors approving the Airport's Foreign Currency Lease.

**REVENUE ESTIMATES**

The Foreign Currency Exchange rent terms are the greater of the Minimum Annual Guarantee or the Passenger-Based Fee. The first year MAG for Traveler America, Inc. is \$4,127,500. The Passenger-Based is equal to \$0.88 multiplied by total number of International Passengers Enplaned on International flights per year.

Below are the projected International Passengers Enplaned and projected annual fees for the next five years and the total projected Passenger Based Fee Revenue:

Year	Projected Enplaned Passengers In Millions	X \$0.88 Fee	Projected Annual Passenger-Based Fees
2001	3.7		\$3,256,000
2002	4.0		\$3,520,000
2003	4.3		\$3,784,000
2004	4.7		\$4,136,000
2005	5.0		\$4,400,000
<b>TOTAL PROJECTED FEE REVENUE</b>			<b>\$19,096,000</b>

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AIRPORT DIRECTOR

Emilie Neumann  
February 24, 2000  
Page 2

Below are the projected annual MAG rents with CPI adjustments and the total Revenue from projected MAG rents:

Year Adjusted	Current MAG	Projected CPI	Projected Adjustment	Projected New MAG after CPI adjustment
2001	\$4,127,500	4.0%	\$165,100	\$4,292,600
2002	\$4,292,600	4.0%	\$171,704	\$4,464,304
2003	\$4,464,304	4.0%	\$178,572	\$4,642,876
2004	\$4,628,876	4.0%	\$185,715	\$4,828,591
TOTAL PROJECTED MAG REVENUE				\$22,355,871

Due to the initial MAG offering of \$4,127,500 and subsequent annual CPI adjustments the Passenger-Based Fee is not expected to become greater than the current MAG.

#### CURRENT FOREIGN CURRENCY EXCHANGE LEASES

There are two companies that currently hold leases with the Airport for currency exchange: Bank of America and Teletrip.

Bank of America Lease L86-0039 from 1987 is currently month to month with two foreign currency locations in the International Terminal (one branch pre-security and a satellite office post security in departures) and a MAG of \$214,160.

Teletrip Lease L93-0060 from 1993 is currently month to month with five locations (three in the International Terminal, one office pre-security, one satellite in arrivals, one cart post security and two carts located in the North Terminal with a current MAG of \$856,622.

In 1993, Travelex partnered with Mutual of Omaha Insurance to take over management of the Foreign Currency branches in the U.S. (The Airport foreign currency division of Mutual of Omaha is known as "Tele-Trip"). In 1999 Travelex purchased Tele-Trip, Travelex will continue to manage the current leases signed under Tele-Trip until the leases have expired.

It is anticipated that both leases will terminate with the closing of the existing International Terminal on September 25, 2000.



Emilie Neumann  
February 24, 2000  
Page 3

### **BIDDING PROCESS**

The Airport offered Invitations to Bid for the currency exchange facility lease to 129 firms.

The following companies that submitted bids for this concession:

- American Express tendered a non-responsive bid of \$1,000,000.
- ICE Currency Services USA tendered a bid of \$3,251,878.
- Travelex America Inc. tendered the highest apparent responsive bid of \$4,127,500.

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

Item 6 - File 00-0268

**Note:** This proposed resolution was continued by the Finance and Labor Committee at its meeting of March 1, 2000.

**Department:** Airport

**Item:** Resolution approving the North Terminal Hub Principal Retail Concession lease between Host International, Inc. and the City and County of San Francisco, acting by and through its Airport Commission.

**Location:** North Terminal Hub of the Airport

**Purpose of Lease:** Concession space for a specialty store and a newsstand (See Description Section below)

**Lessor:** City and County of San Francisco through the Airport Commission

**Lessee:** Host International

**No. of Sq. Ft. and  
Monthly Rental Revenues  
Payable by  
Host International  
to the Airport:**

A total of 4,984 square feet at two locations in the Airport's North Terminal Hub, consisting of 3,784 square feet for a specialty store and 1,200 square feet for a newsstand. The total rental revenues to be paid by Host International to the Airport based on the Minimum Annual Guarantee would be approximately \$42.50 per square foot per month, or \$212,500 per month (\$2,550,000 annually).

**Annual Rental Revenues  
Payable by  
Host International  
to the Airport:**

The proposed lease would require Host International to pay the Airport the greater of a Minimum Annual Guarantee (MAG) of \$2,550,000 for each year of the five year lease term, or a percentage of gross revenues realized by Host International. According to the lease, the annual percentage of gross revenues

BOARD OF SUPERVISORS  
BUDGET ANALYST

Memo to Finance and Labor Committee  
March 1, 2000 Finance and Labor Committee Meeting

is 12% for the first \$500,000, 14% between \$500,000 and \$1,000,000, and 16% for all gross revenues in excess of \$1,000,000. The terms of the proposed lease are similar to the terms of concession leases previously approved by the Board of Supervisors for the Airport. The subject lease also provides for annual increases in the Minimum Annual Guarantee based on increases in the U.S. Department of Labor Department Store Inventory Price Index-Soft Goods.<sup>1</sup>

**Term of Lease:**

The proposed lease is scheduled to commence in December of 2000, upon completion of the required renovation work by Host International. The lease would be for a five-year period, terminating in December of 2005.

The five-year lease term begins on the Rent Commencement Date, defined in the lease as the first day both spaces covered by the subject lease are fully operational. According to Ms. Gigi Ricasa of the Airport, the specialty store is expected to be operational by June 10, 2000. However, the newsstand is not expected to be operational until December of 2000 due to the North Terminal/Thumb Expansion. Ms. Ricasa advises that prior to completion of the newsstand and the Rent Commencement Date, expected in December of 2000, Host International will pay to the Airport a prorated rent based on the 3,784 square feet for the operating specialty store (the total 4,984 square feet covered by the subject lease less the 1,200 square feet for the newsstand).

**Right of Renewal:** None

**Utilities and Janitor**

**Provided by Lessor:** The Lessee will pay for the costs of all utilities and janitorial services.

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<sup>1</sup> According to Ms. Gigi Ricasa of the Airport, soft goods are defined as retail goods such as toys, sunglasses, and books. The Airport has determined that this price index is the most appropriate one to apply to leases for Airport concessions.

Memo to Finance and Labor Committee  
 March 1, 2000 Finance and Labor Committee Meeting

**Description:**

The proposed resolution would approve a concession lease for Host International to operate one specialty store and one newsstand in the North Terminal Hub of the Airport. Under the terms of the subject lease, Host International has identified the following five retail "concepts" to be sold in the specialty store: (1) Souvenir/Gift Items; (2) High-End Retail; (3) Bay Area-Northern California Specialty Items; (4) Museum-Related Products; and (5) Aviation-Related Products.

The proposed lease would require Host International to sell the following at the newsstand: local, daily and out-of-town newspapers; 200 separately displayed periodicals and magazines; 300 separately displayed hardback and paperback books, plus candy, tobacco, health aids, and souvenir items.

Host International would directly operate the first 3 of the 5 concepts listed above for the specialty store and all of the newsstand, totaling 3,488 square feet, or 70 percent of the total 4,984 square feet covered by the subject lease. Host International would sublease operation of the two remaining concepts in the specialty store to two Disadvantaged Business Enterprises (DBEs): I-5 Concessions, LLC and Sun Shade Holding Corporation. The total 1,496 square feet sub-leased by the DBE companies would be approximately 30 percent of the total 4,984 square footage covered by the lease.

The following table identifies the two retail spaces covered by the subject lease, the five concepts for the specialty store, the types of goods sold by each business, and the square footage occupied by each business.

Concession	Operator	Concept	Sq. Feet
Specialty Store	Host	Souvenir / Gift Items	2,288
		High-End Retail	
		Bay Area & Northern California Items	
	I-5 Concessions	Aviation Products	748
	Sun Shade	Museum Products	748
Total Sq. Ft for Specialty Store			3,784
Newsstand	Host	Newsstand	1,200
Total Square Feet for Lease			4,984

**Tenant**

**Improvements:** Host International would be required to invest a minimum of \$150 per square foot to renovate the subject lease space, or a total of \$747,600 for the 4,984 square feet covered by the subject lease.

Under the terms of the proposed lease, Host International would have the option to request Airport approval for two temporary facilities to sell merchandise during such renovations, estimated to take 90 days. During such time, Host would pay the Airport a percentage rent of 20 percent of gross revenues. In addition, Ms. Ricasa states that the Airport plans to give Host International permission to operate a temporary facility to sell newsstand merchandise during the period that the North Terminal Hub/Thumb Expansion delays the turnover of space to Host International. Host International will pay to the Airport 20 percent of gross revenues earned from the temporary newsstand facility.

**Comment:** According to Ms. Ricasa, on September 21, 1999 the Airport issued Invitations to Bid to 60 firms for the subject concession lease, as stated in the Attachment to this report, provided by the Airport. Subsequently, on December 21, 1999, the Airport Commission adopted a resolution awarding the lease to Host International, the highest responsive and qualified bidder. The Attachment also contains a list of all firms that submitted bids for this concession and their Minimum Annual Guarantees.

**Recommendation:** Approve the proposed resolution.



San Francisco International Airport

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**VIA FACSIMILE. (415) 252-0416**

**DATE:** February 23, 2000

**TO:** Emily Newman  
 Budget Analyst Office

**FROM:** Gigi Ricasa *GR*  
 Airport Concession Development and Management

**Subject:** North Terminal Hub Principal Retail Concession Lease (the "Lease")

AIRPORT  
 COMMISSION  
 CITY AND COUNTY  
 OF SAN FRANCISCO

WILLIAM BROWN JR.  
 CHAIRMAN

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 CHAIRMAN

MAURICE A. BURMAN JR.

JOHN A. BURMAN JR.

JOHN A. BURMAN JR.

JOHN A. BURMAN JR.

JOHN A. BURMAN JR.

This Lease was developed based on the compatibility with passenger needs and desires, current marketing and retail trends, demographics of the traveling public, the economy, the existing concession the surrounding area and proposals received from the community or retail industry.

**Standard Marketing Procedure for any Concession Opportunity**

After Airport Commission approves staff to conduct a pre-bid/proposal conference, Concession Development and Management ("CDM") staff mails a letter of interest to a mailing list that has been generated by CDM that relates to the concept of the concession opportunity. The interested parties who respond to the letter of interest are placed on a more specified mail list. The specified mail list receives copies of pre-bids and bid documents. For this Lease, the draft Request for Qualification and Proposal and Bid ("RFQ/P and Bid") Documents and the final RFQ/P and Bid Documents were mailed to approximately 60 people who responded to the letter of interest. There were 32 attendees at the public informational conference held in August 1999.

**Competitive Process**

The competitive process used for this Lease was a proposal and a bid process. Interested parties were each required to submit a proposal, which requires for four to five retail concepts in the bigger space and a newsstand for the smaller space. The other main requirement was that the successful Proposer sublease 30% of the total square footage to Disadvantaged Business Enterprise(s). If the proposal(s) was deemed acceptable, the proposer advances to the second stage, which is the bid stage. The Proposer's bid form is opened at a public meeting and at this stage, whoever submits the highest bid amount is announced the apparent successful bidder. This Bidder then submits additional paperwork regarding Human Rights Commission Requirement to ensure that this Bidder meets those requirements.



Memo to Emily Newman  
February 23, 2000  
Page 2

Result of RFQ/P/ and Bid

There were two companies who submitted proposals: ① Host International, Inc. and ② Pacific Gateway Concessions, LLC. Both proposals were deemed acceptable, therefore, both Proposers' bid forms were opened, and the result was:

Bidder	Bid Amount
Host International, Inc.	\$2,550,000
Pacific Gateway Concessions, LLC	\$1,408,999.99

The Airport Commission formally awarded the Lease to Host International, Inc. on December 21, 1999.

Highest Bidder and its Proposed Subtenant

Host proposed four concepts in the bigger space, and they are: ① Souvenir merchandise, ② Museum items, ③ Aviation items ④ California regional packaged food products, and ⑤ High end retail. Host will sublease two of the concepts to the following DBEs: 1-5 Concessions, LLC and Sun Shade Holding Corporation. The rent for the DBE is as follows: Tenant shall charge the DBE Subtenant, as rent, no more than the same tiered rent percentage to the DBEs, which is as follows:

- 12% of Gross Revenues from the subleased premises achieved up to and including \$500,000; plus
- 14% of Gross Revenues from the subleased premises achieved from \$500,000.01 up to and including \$1,000,000; plus
- 16% of Gross Revenues from the subleased premises over \$1,000,000.

Please do not hesitate to contact me at (650) 794-4505 if you have further questions. Thank you for your assistance in obtaining Board of Supervisors' approval on this Lease.

Item 7 - File 00-0318

**Department:** Airport

**Item:** Resolution approving the New International Fine Dining Restaurant Lease between GQC Holdings, Inc., a certified Disadvantaged Business Enterprise, and the City and County of San Francisco, acting by and through its Airport Commission.

**Location:** New International Terminal of the Airport

**Purpose of Lease:** The proposed lease would provide approximately 6,715 square feet of space to operate one fine dining restaurant at one location.

**Lessor:** City and County of San Francisco, acting by and through its Airport Commission.

**Lessee:** GQC Holdings, a California corporation

**No. of Sq. Ft. and Monthly Rental Revenues Payable by GQC Holdings to the Airport:** Approximately 6,715 square feet to operate a restaurant at one location in the Airport's New International Terminal. The total rental revenues to be paid by GQC Holdings, Inc. to the Airport based on the Minimum Annual Guarantee would be approximately \$1.67 per square foot per month, or \$11,192 per month (\$134,300 annually). According to Mr. Bob Rhoades of the Airport, the Minimum Annual Guarantee of \$1.67 per square foot per month is less than the rent per square foot of other concession leases, due to the high costs of operating a fine dining restaurant and the large number of square feet (6,715) covered by the subject lease.

**Annual Rental Revenues Payable by GQC Holdings to the Airport:** The proposed lease would require GQC Holdings, Inc. to pay to the Airport the greater of a Minimum Annual Guarantee (MAG) of \$134,300 for each year of the ten year and four month lease term, or a percentage of gross revenues realized by GQC Holdings. According to the lease, the annual percentage of gross revenues is 4% for the first

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance and Labor Committee  
March 8, 2000 Finance and Labor Committee Meeting

\$1,000,000 and 6% for all gross revenues in excess of \$1,000,000. The subject lease also provides for annual increases in the Minimum Annual Guarantee based on increases in the Consumer Price Index (CPI).

According to Mr. Rhoades, the Airport estimates that for the first year of the proposed lease, the percentage of gross revenues realized by CQG Holdings, as detailed above, will exceed the Minimum Annual Guarantee of \$134,300 by \$109,700. The Airport would thus receive for the first year of the lease an estimated percentage rent of \$244,000 based on GQC Holdings' estimated annual gross receipts of \$4,400,000.

According to Mr. Rhoades, the Airport established the amount of the Minimum Annual Guarantee and the percent of gross revenues to be paid to the Airport for the fine dining lease, and that all firms submitting proposals were required to meet those conditions. Mr. Rhoades advises that the Minimum Annual Guarantee of \$134,300 and the percent gross revenues of 4% for the first \$1,000,000 and 6% for all gross revenues in excess of \$1,000,000 therefore applied to all firms that submitted proposals to the Airport for the fine dining lease. According to Mr. Rhoades, the firms submitting proposals were not required to submit gross revenue projections.

**Term of Lease:** The proposed lease would commence on September 26, 2000. The lease would be for a ten year, four month period, terminating on January 25, 2011.

**Right of Renewal:** None

**Utilities and Janitor**

**Provided by Lessor:** The Lessee pays for the costs of all utilities and janitorial services.

**Description:** On September 21, 1999, the Airport Commission adopted a resolution awarding the New International Terminal Fine Dining Restaurant Lease to GQC Holdings, Inc. (Resolution No. 99-0465). The fine dining lease was one of 16 leases the Airport awarded to San Francisco and Bay Area firms to operate food and beverage facilities in the new International Terminal.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance and Labor Committee  
March 8, 2000 Finance and Labor Committee Meeting

According to Mr. Rhoades, in 1998 the Airport selected the firm Pacific Gateway Partnership, through a formal Request for Qualifications/Proposals process, to conduct an outreach program for selecting food and beverage operations. As outlined in Attachment I, provided by Mr. Rhoades, Pacific Gateway Partnership sent invitations to participate to more than 600 interested parties in February of 1999. After a process of narrowing down the pool of applicants, as described in Attachment I, in September of 1999, an Airport-approved committee chose 16 firms for food and beverage leases in the new International Terminal. According to Mr. Rhoades, each firm was required to: (1) have owned/managed food and beverage businesses for at least 3 of the last 5 years, and (2) guarantee annual gross revenues of at least \$1,000,000. Mr. Rhoades advises that the selection committee also based their decision on the quality and look of each food and beverage company, requiring detailed proposals from applicants and making site visits to evaluate food, service, kitchens, and general environment.

Attachment I, provided by the Airport, outlines the process for choosing both the selection committee and the firms to be awarded food and beverage leases. According to Mr. Rhoades, two firms in addition to GQC Holdings submitted full proposals for the fine dining lease, Chevy's Restaurant and California Grill. Attachment I explains why the committee chose GQC Holdings for the fine dining lease. Attachment II lists the members of the selection committee.

Under the terms of the subject lease, GQC Holdings will operate a high-quality restaurant, serving quality food and beverages and including a full bar. According to Mr. Rhoades, this is the first time the Airport has offered a lease for high-end fine dining.

**Tenant  
Improvements:**

GQC Holdings would be required to invest a minimum of \$250 per square foot in improvements to the subject lease space, or a total of \$1,678,750 for the 6,715 square feet covered by the subject lease.

Memo to Finance and Labor Committee  
March 8, 2000 Finance and Labor Committee Meeting

**Comment:** According to Mr. Rhoades, the restaurant will be completed by the scheduled opening date for the Airport's new International Terminal of September 26, 2000. Mr. Rhoades advises that the September 26, 2000 opening date, three months later than the previously estimated opening date of June 26, 2000, will allow the Airport time to test the new facilities.

**Recommendation:** Approve the proposed resolution.

## NEW INTERNATIONAL TERMINAL COMPLEX FOOD AND BEVERAGE OPERATOR SELECTION PROCESS

Mid - 1998	Airport issued RFQ/RFP to select firm to conduct outreach program to identify food/beverage operators.
Dec., 1998	After Airport panel review, Airport Commission approved selection of Pacific Gateway Partnership ("PGP") to conduct outreach.
Jan. - Feb., 1999	Extensive outreach conducted by PGP, including meetings in San Francisco and on Peninsula.
Feb. 1999	Phase I of process involved the transmittal of over 600 questionnaires to interested parties.
March 1999	255 respondents to Phase I
Mar. - April, 1999	Airport approved selection panel (attached) screened Phase I respondents, including site visits, and selected 110 respondents as being qualified for Phase II.
June, 1999	57 submissions were received under Phase II which were evaluated by selection panel.
Sept. 1999	Airport Commission, based upon recommendation of Selection Panel and Review by the Airport Director, awarded food/beverage leases to 16 San Francisco and Bay Area firms, 15 of which are minority or woman-owned businesses (DBEs). The Fine Dining Lease was awarded to GQC Holding, Inc.

GQC Holding, Inc. is a San Francisco based, minority-owned firm that has demonstrated exceptional ability to develop and operate fine dining facilities. Shanghai 1930 and Betelnut are two examples of the type of facilities that the firm operates in San Francisco.



# PACIFIC GATEWAY PARTNERSHIP

## Selection Committee Members

Pacific Gateway Partnerships

**Victor Escobedo** has extensive experience as a restaurant manager and owner. He recently opened Papalote Mexican Grill in San Francisco, and his family owns and operates the Cella's and Fernando's Restaurants throughout the Bay Area.

San Francisco Airport Commission

**Michael Fang** has been in the tourist photography business since 1981 with the Red & White Fleet. He is owner of Crabcakes & Sweets, a small fast-food seafood restaurant located at Pier 39.

Box 8097

**Grant Mickins** served as Director of the San Francisco Human Rights Commission from 1975-88. Previously, he has been President of SEIU, Local 400, Deputy Director of the Mayor's Criminal Justice Council, and President of the San Francisco Civil Service Commission. Mr. Mickins currently serves as an Independent consultant.

San Francisco International Airport

**Patrick Quek** is President and CEO of Hospitality Asset Advisors International and PKF Consulting. He is a recognized authority on the Asia/Pacific hotel market. Mr. Quek is active in numerous civic and industry committees locally and nationally.

San Francisco, CA 94128

**Cleopatra Vaughns, RN**, is the Chairman of the Board of the San Francisco Convention & Visitors Bureau. She is the manager of Community Relations for Blue Shield of California. Ms. Vaughns is the National President of the National Association of Negro Business & Professional Women's Clubs, Inc.

Telephone (415) 794-4517

**Alicia Wang** is first Vice-Chair of the California Democratic Party, a member of the Democratic National Committee, and a member of the Association of State Democratic Chairs. She is a faculty member at San Francisco City College.

San Francisco, CA 94128

**Robert Wilhelm** is a recently retired executive of Westin Hotels and Resorts, where he was Managing Director of the Westin St. Francis Hotel on Union Square. He has been Chairman of the Board for the San Francisco Convention & Visitors Bureau and Director of the San Francisco Chamber of Commerce. He currently works with Lombard Holdings, Inc.

**John Yee** is Senior Vice President and Chief Financial Officer of the San Francisco Giants. He played an integral role in structuring the private financing for the new Pacific Bell Park. Previously, Mr. Yee served as Vice President of Finance and Administration for the San Francisco Convention & Visitors Bureau.

Memo to Finance and Labor Committee  
March 8, 2000 Finance and Labor Committee Meeting

Item 8 - File 00-0289

**Department:** Fire Department  
Department of Public Works  
Department of Parking and Traffic  
Water Department

**Item:** Hearing to consider the release of reserved funds in the amount of \$59,120 to fund emergency repairs of the Auxiliary Water Supply System (AWSS) facilities located at the intersections of Third and Evans Streets and Evans and Selby Streets.

**Amount:** \$59,120

**Source of Funds:** Fire Protection Systems Improvement General Obligation (GO) Bonds, previously appropriated and placed on reserve by the Board of Supervisors

**Budget:** The summary budget for the subject reserved funds is as follows:

<b><u>Third Street and Evans Street</u></b>	
Department of Public Works Staff – Planning and Design	\$26,083
Department of Parking & Traffic Staff – Traffic Routing Plans	<u>3,477</u>
Third/Evans Subtotal	\$29,560
<b><u>Evans Street and Selby Street</u></b>	
Department of Public Works Staff – Planning and Design	\$26,083
Department of Parking & Traffic Staff – Traffic Routing Plans	<u>3,477</u>
Evans/Selby Subtotal	\$29,560
Total Project Budget	<u>\$59,120</u>

Attachment I to this report, provided by the Department of Public Works (DPW), contains details to support the summary budget above.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance and Labor Committee  
March 8, 2000 Finance and Labor Committee Meeting

**Description:** The subject reserved funds would be used for the planning and design work needed for the repair of two ruptured Auxiliary Water Supply System (AWSS) pipes at the intersections of Third Street/Evans Street and Evans Street/Selby Street. The AWSS is a system of reservoirs, cisterns, pipelines, pump stations, and fireboats, comprising the source of water supply for fire protection in emergency situations.

The City sold a total of \$46.2 million in Fire Protection Systems Improvement General Obligation Bonds (\$31 million in 1987 and \$15.2 million in 1991) to finance improvements to the City's Auxiliary Water Supply System. In March of 1996, the Board of Supervisors approved a supplemental appropriation ordinance for \$3,907,900 (File 101-95-61) from accrued interest from the Fire Protection Systems Improvement Bonds for four categories of capital improvement projects: (1) repair and improvement of the Fireboat Phoenix, (2) implementation of motorized AWSS control valves, (3) repairs to the AWSS water storage tank, and (4) emergency repairs of AWSS facilities. The subject requested release of reserved funds would come from category (4) emergency repairs of AWSS facilities.

**Comments:** 1. According to Mr. Patrick Rivera of the Department of Public Works, two ruptured 12-inch diameter pipes were discovered in the Auxiliary Water Supply System (AWSS) pipelines, at the intersections of Evans and Selby Streets and Third and Evans Streets on January 2, 2000 and February 2, 2000 respectively. Mr. Rivera advises that the Fire Department conducted initial investigations after receiving reports of water leaks. After the source of each leak was located, the main valves on both ends of the ruptured pipes were closed, shutting off the high-pressure water supply to Bayview Hunters Point. According to Mr. Bill Gunn of the Fire Department, the disabled ruptured pipes significantly hamper fire protection for Bayview Hunters Point since the two pipes are the only direct water sources for fire emergencies in the district.

Memo to Finance and Labor Committee  
March 8, 2000 Finance and Labor Committee Meeting

2. According to Mr. Rivera, during the time since DPW and the Fire Department originally submitted the subject request for a release of reserved funds, repairs have already begun on the ruptured pipe at Third and Evans Streets. Such repairs will cost an estimated total of \$24,982. This amount of \$24,982 to repair the leak is \$4,578 less than the original request in the subject proposal of \$29,560 for the design and planning necessary to repair the ruptured pipe. According to Mr. Rivera, as stated in Attachment II, after further investigation, DPW and the Fire Department learned that the leak at Third and Evans Streets was less serious than they had first anticipated and that they could repair the leak at a lower cost, without going through the design and planning process. According to Mr. Rivera, DPW and the Fire Department believed it was important to begin the emergency repairs as soon as possible since Bayview Hunters Point depends on the two ruptured AWSS pipes for fire protection.

A summary budget for the repairs at Third and Evans Streets is as follows:

<u>Repairs: Third and Evans Streets</u>	
<b>Labor</b>	
Fire Department	\$10,254
Water Department	6,554
DPW – Bureau of Street & Sewer Repair	<u>2,000</u>
<b>Labor Total:</b>	<b>\$18,808</b>
<b>Equipment</b>	3,490
<b>Materials</b>	<u>2,684</u>
<b>TOTAL BUDGET COSTS:</b>	<b>\$24,982</b>

Attachment III, provided by DPW, contains details to support the summary budget shown above. According to Mr. Rivera, it is standard procedure for DPW to use part of the subject requested reserved funds to

BOARD OF SUPERVISORS  
BUDGET ANALYST

reimburse the Fire Department, the Water Department and the Department of Parking and Traffic for their work, as stated in Attachment III.

3. The proposed release of reserved funds should be amended to account for the repairs that have already begun at Third and Evans Streets, as described in Comment No. 2 above. The original proposed release of reserved funds of \$29,560 for design and planning for repairs of the AWSS system at Third and Evans Streets should be reduced by \$4,578 to the current cost estimate of \$24,982 to repair the leak. The amended total subject request would thus be \$54,542, or \$4,578 less than the original request of \$59,120, for: (1) repairs at Third and Evans Streets (\$24,982), and (2) design and planning for repairs at Evans and Selby Streets (\$29,560).

4. According to Mr. Rivera, and as detailed in Attachment I provided by DPW, the subject funds totaling \$29,560 allocated for repairing the remaining ruptured pipe at Evans and Selby Streets would be expended for: (a) DPW staff to prepare plans and specifications for the repair of the 12-inch diameter pipe (\$26,083); and (b) Department of Parking and Traffic (DPT) to prepare traffic routing plans at the location (\$3,477). Also included in the cost for both DPW and DPT is coordination with utility companies and the DPW Bureau of Streets and Mapping for preparation of construction permits.

5. According to Mr. Rivera, the design and planning for repair work on the remaining ruptured pipe at Evans and Selby Streets would begin as soon as the Board approves the subject request for release of reserved funds. DPW intends to request a second release of reserved bond funds for the actual construction work to repair the ruptured pipe. The construction to repair the leak would begin approximately in May of 2000.

Memo to Finance and Labor Committee

March 8, 2000 Finance and Labor Committee Meeting

- Recommendations:**
1. Amend the proposed release of reserved funds to reduce the requested amount by \$4,578 from \$59,120 to \$54,542 as stated in Comment No. 3 above.
  2. Approved the proposed release of reserved funds as amended.



**Department of Public Works**  
**Engineering Design Services**

**EVANS AND SELBY DESIGN FEE ESTIMATE**

Department	Classification	Classification Number	Number of Hours	Hourly Rate (including overhead)	Extension
Public Works	Associate Mechanical Engineer	5254	85	\$77	\$6,545
Public Works	Senior Mechanical Engineer	5258	10	\$103	\$1,030
Public Works	Engineering Assoc.	5346	36	\$57	\$2,052
Public Works	Senior Clerk	1446	16	\$45	\$720
Parking & Traffic	Assoc. Traffic Engineer	5228	10	\$60	\$600
Parking & Traffic	Traffic Engineer	5230	37	\$69	\$2,553
Parking & Traffic	Senior Traffic Engineer	5232	4	\$81	\$324
Public Works	Project Manager II	5504	85	\$84	\$7,140
Public Works	Civil Engineer (Hazardous Specifications)	5208	31	\$91	\$2,821
Public Works	Associate Civil Engineer (Spec Review)	5206	75	\$77	\$5,775
<b>TOTAL</b>					<b>\$29,560</b>

**3RD AND EVANS DESIGN FEE ESTIMATE**

Department	Classification	Classification Number	Number of Hours	Hourly Rate (including overhead)	Extension
Public Works	Associate Mechanical Engineer	5254	85	\$77	\$6,545
Public Works	Senior Mechanical Engineer	5258	10	\$103	\$1,030
Public Works	Engineering Assoc.	5346	36	\$57	\$2,052
Public Works	Senior Clerk	1446	16	\$45	\$720
Parking & Traffic	Assoc. Traffic Engineer	5228	10	\$60	\$600
Parking & Traffic	Traffic Engineer	5230	37	\$69	\$2,553
Parking & Traffic	Senior Traffic Engineer	5232	4	\$81	\$324
Public Works	Project Manager II	5504	85	\$84	\$7,140
Public Works	Civil Engineer (Hazardous Specifications)	5208	31	\$91	\$2,821
Public Works	Associate Civil Engineer (Spec Review)	5206	75	\$77	\$5,775
<b>TOTAL</b>					<b>\$29,560</b>
<b>TOTAL FOR BOTH LOCATIONS</b>					<b>\$59,120</b>

Source: Department of Public Works



Willie Lewis Brown, Jr., Mayor  
Mark A. Primeau, AIA, Director



Department of Public Works  
Project Management Division  
30 Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, CA 94102-6020  
Kathryn How, Assistant City Engineer

MEMORANDUM

To: Emilie Neumann  
Budget Analyst

From: Patrick Rivera  
DPW-Project Manager

Subject: Release of Reserve Revision  
AWSS Repair at 3<sup>rd</sup> and Evans

Date: February 23, 2000

This is to clarify and revise the Request for Release of Reserve that was submitted to the Board of Supervisors on February 11, 2000 by the San Francisco Fire Department (SFFD). The request was for design funds to prepare construction documents for the repair of Auxiliary Water Supply System (AWSS) leaks that were discovered in January 2000 at two locations: 3<sup>rd</sup> and Evans and Evans and Selby. The estimate to prepare construction documents for the 3<sup>rd</sup> and Evans site is \$29,560 and for the Evans and Selby site is \$29,560.

It has come to my attention, that repairs have begun at the 3<sup>rd</sup> and Evans site without the need for construction documents. The repairs were performed on a rush basis by City workers because of the importance of restoring AWSS service to that line and that neighborhood and the ability to mobilize on short notice. The repairs were performed by SFFD plumbers and San Francisco Water Department truck drivers, operating engineers and carpenters. The repair consisted of excavating and exposing the 12 inch pipe and replacing loosened rubber pipe gaskets. The labor cost to perform the repair was \$16,808. Planning and engineering design services were not needed at this site because the repairs were simple enough to make in the field.

In addition to the labor costs are equipment and material costs (i.e. backhoe, dumptruck, crane and steel plates), and the cost to repair the roadway (i.e. construct concrete roadbase and asphalt concrete). The equipment and material cost estimate for the repair is \$2,734 and the cost estimate to repair the roadway is \$5,440.

I would like to revise the request for release of reserve funds for the 3<sup>rd</sup> and Evans site only from \$29,560 to \$24,982.

If you have any questions, please call me at 558-4045.

attachment

c: Project File

City and County of San Francisco



Willie Lewis Brown, Jr., Mayor  
Mark A. Primeau, AIA, Director



(415) 558-4040  
FAX (415) 558-4545  
<http://www.sfdpw.co>

Department of Public Works  
Project Management Division  
30 Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, CA 94102-6040  
Kathryn How, Assistant City Engineer

## MEMORANDUM

To: Emilie Neumann  
Budget Analyst

Date: February 29, 2000

From: Patrick Rivera  
DPW-Project Manager

Subject: Clarification for AWSS Repair at 3<sup>rd</sup> and Evans and Evans and Selby

Because there are various departments working on the two sites, the following is an explanation of the responsibility of each department for each of the sites:

3<sup>rd</sup> and Evans

SFWD: provide the operators, truck drivers, carpenters, equipment and materials required to excavate the site in order to expose the leak. The cost for this work is \$9,288.

SFFD: provide the plumbers in order to replace the damaged pipe gaskets. The cost for this work is \$10,254.

DPW: provide the cement finishers, laborers and equipment required to replace the roadway section after all pipe repairs are complete. The cost for this work is \$5,440.

Evans and Selby:

DPW: provide the Mechanical Engineers required to prepare construction plans specifications and estimates for the repair of the pipe leak. The cost for this work is \$26,083.

DPT: provide the traffic engineers required to prepare the traffic routing plans needed during construction. The cost for this work is \$3,477.

The standard practice for handling release of reserves and the transfer of funds to the various departments and agencies is that DPW issues work orders. This way there is one point of contact for handling the transaction and most importantly tracking the funds.

If you have any questions, please call me at 558-4045.

attachment

c: Project File

3rd and Evans AWSS Pipe Repair

Equipment and Material Cost Estimate for AWSS Repair

	Qty	Unit	Rate	Extension
Backhoe	24	hours	\$ 30.00	\$ 720.00
Dump Truck	24	hours	\$ 36.00	\$ 864.00
Boom Truck	24	hours	\$ 25.00	\$ 600.00
Steel Plate	5	days	\$ 100.00	\$ 500.00
Gaskets	2	each	\$ 25.00	\$ 50.00
				<u>\$ 2,734.00</u>

Cost Estimate to Repair Roadway

	Qty	Unit	Rate	Extension
Backfill	36	tons	10	\$ 360.00
Asphalt Concrete	2	tons	100	\$ 200.00
Concrete Base	1.44	sf	20	\$ 2,880.00
Labor	1	lump sum	2000	<u>\$ 2,000.00</u>
				<u>\$ 5,440.00</u>
				\$ 8,174.00

Source: Department of Public Works

COSTS DO NOT INCLUDE MATERIALS, PARTS OR PAVING. THESE COSTS ARE FOR LABOR ONLY  
(Fire Department and Water Department)

**SAN FRANCISCO FIRE DEPARTMENT WORK SHEET**  
12" high-pressure main break

5:00PM Start Time

EACH	RATE	CLASSIFICATION	DATE	LOCATION	HOURS WORKED	TOTAL
	overtime					
1	\$ 69.00	7250 Utility Plumber Sup.	2/3/00	EVANS & 3RD ST.	6	\$ 414.
1	\$ 62.00	7388 Utility Plumber	2/3/00	EVANS & 3RD ST.	6	\$ 372.
1	\$ 38.00	7514 General Laborer	2/3/00	EVANS & 3RD ST.	6	\$ 228.
					<b>TOTALS</b>	<b>\$ 1,014.</b>

5:00PM Start Time

EACH	RATE	CLASSIFICATION	DATE	LOCATION	HOURS WORKED	TOTAL
1	\$ 69.00	7250 Utility Plumber Sup.	2/4/00	EVANS & 3RD ST.	6	\$ 414
2	\$ 62.00	7388 Utility Plumber	2/4/00	EVANS & 3RD ST.	6	\$ 744.
1	\$ 38.00	7514 General Laborer	2/4/00	EVANS & 3RD ST.	6	\$ 228.
					<b>TOTALS</b>	<b>\$ 1,386.</b>

5:00PM Start Time

EACH	RATE	CLASSIFICATION	DATE	LOCATION	HOURS WORKED	TOTAL
1	\$ 69.00	7250 Utility Plumber Sup.	2/6/00	EVANS & 3RD ST.	14	\$ 966.
2	\$ 62.00	7388 Utility Plumber	2/6/00	EVANS & 3RD ST.	14	\$ 1,736.
1	\$ 38.00	7514 General Laborer	2/6/00	EVANS & 3RD ST.	14	\$ 532.
1	\$ 49.00	7355 Truck Driver SFWD	2/6/00	EVANS & 3RD ST.	14	\$ 686.
1	\$ 58.00	7328 Oper. Eng. SFWD	2/6/00	EVANS & 3RD ST.	14	\$ 812.
1	\$ 54.00	7344 Carpenter SFWD	2/6/00	EVANS & 3RD ST.	14	\$ 756.
					<b>TOTALS</b>	<b>\$ 5,488.</b>

5:00PM Start Time

EACH	RATE	CLASSIFICATION	DATE	LOCATION	HOURS WORKED	TOTAL
1	\$ 69.00	7250 Utility Plumber Sup.	2/7/00	EVANS & 3RD ST.	6	\$ 414
2	\$ 62.00	7388 Utility Plumber	2/7/00	EVANS & 3RD ST.	6	\$ 744
1	\$ 38.00	7514 General Laborer	2/7/00	EVANS & 3RD ST.	6	\$ 228
1	\$ 49.00	7355 Truck Driver SFWD	2/7/00	EVANS & 3RD ST.	6	\$ 294
1	\$ 58.00	7328 Oper. Eng. SFWD	2/7/00	EVANS & 3RD ST.	6	\$ 348
2	\$ 54.00	7344 Carpenter SFWD	2/7/00	EVANS & 3RD ST.	6	\$ 648
					<b>TOTALS</b>	<b>\$ 2,676.0</b>

5:00PM Start Time

EACH	RATE	CLASSIFICATION	DATE	LOCATION	HOURS WORKED	TOTAL
1	\$ 69.00	7250 Utility Plumber Sup.	2/12/00	EVANS & 3RD ST.	14	\$ 966
2	\$ 62.00	7388 Utility Plumber	2/12/00	EVANS & 3RD ST.	14	\$ 1,736
1	\$ 38.00	7514 General Laborer	2/12/00	EVANS & 3RD ST.	14	\$ 532
1	\$ 49.00	7355 Truck Driver SFWD	2/12/00	EVANS & 3RD ST.	14	\$ 686
1	\$ 58.00	7328 Oper. Eng. SFWD	2/12/00	EVANS & 3RD ST.	14	\$ 812
2	\$ 54.00	7344 Carpenter SFWD	2/12/00	EVANS & 3RD ST.	14	\$ 1,512
					<b>TOTALS</b>	<b>\$ 6,240</b>
					<b>TOTAL COSTS</b>	<b>\$ 16,800</b>

Source: Fire Department and Department of Public Works



Memo to the Finance and Labor Committee  
March 8, 2000 Finance and Labor Committee Meeting

Items 9 and 10 – Files 99-1413 and 99-1412

**Note:** These items were continued at the Finance and Labor Committee Meeting of October 13, 1999, and File 99-1412 has been subsequently amended.

The Budget Analyst has been informed that a second Amendment of the Whole is being prepared for Item 10, File 99-1412. This report has been prepared based on information provided by the Residential Rent Stabilization and Arbitration Board regarding this second proposed Amendment of the Whole.

**Department:** Residential Rent Stabilization and Arbitration Board (RNT)

**Item:** File 99-1412

Ordinance requiring the Executive Director of the Residential Rent Stabilization and Arbitration Board, or his or her designee, to obtain a neutral, comprehensive, fact-based, socio-economic study of housing in San Francisco, to be completed within one year; and providing that proposed substantive amendments to the Residential Rent Stabilization and Arbitration Ordinance and various housing ordinances must be supported by findings of fact.

File 99-1413

Ordinance appropriating \$175,000 from the General Fund Reserve to the Residential Rent Stabilization and Arbitration Board to fund a fact-based socio-economic study of housing in San Francisco, for Fiscal Year 1999-2000.

**Amount:** \$175,000

**Source of Funds:** General Fund Reserve

**Description:** File 99-1412

This proposed ordinance would authorize the RNT to obtain a comprehensive, fact-based, socio-economic study of San Francisco housing. The ordinance proposes that the study be completed and reported in writing within one



year and be conducted by neutral researchers. The ordinance would require the Executive Director of the RNT to hold a public hearing in order to permit interested members of the public and relevant City departments to provide their input on the scope of the study.

The proposed ordinance would also require that any substantive amendments to the Residential Rent Stabilization and Arbitration Ordinance (Rent Ordinance) and various housing ordinances must be supported by findings of fact.

File 99-1413

This ordinance would appropriate \$175,000 from the General Fund Reserve to fund a professional services contract to conduct the above-noted study.

**Budget:** \$175,000 for a professional services contract.

**Comments:** 1. The purpose of the study into San Francisco housing proposed under File 99-1412 is to (a) better inform the Board of Supervisors regarding future changes to the Rent Ordinance and various housing ordinances, and (b) assist the City and its leaders in the formulation of housing policies.

2. The proposed ordinance under File 99-1413 would appropriate \$175,000 for a fact-based socio-economic study. According to Mr. Joe Grubb of the RNT, the requested \$175,000 would be expended on a professional services contract which would be awarded through a Request for Proposal (RFP) process, taking into account both vendor qualifications and costs. Mr. Grubb advises that the RNT would both advertise the RFP in the broadest possible fashion and target potential consultants to ensure an ample pool of qualified vendors. Mr. Grubb estimates that vendors would be given at least two to three weeks to respond from the date the RFP is posted. Mr. Grubb advises that the timing of this posting would depend on when the ordinance was approved.

3. As of the writing of this report, Mr. Grubb states that he is unable to estimate the number of hours or the

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to the Finance and Labor Committee  
March 8, 2000 Finance and Labor Committee Meeting

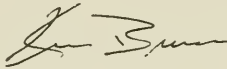
hourly rates of the subject professional services contract. Mr. Grubb states that the number of hours and hourly rates would depend on (a) the scope of the project which would be determined in part by the proposed public hearing, and (b) the preferred vendor's bid.

4. Pending submission to the Board of Supervisors of (a) the selected vendor, (b) the estimated number of hours, and (c) the hourly rates of the selected vendor, the requested funds of \$175,000 under File 99-1413 should be placed on reserve.

**Recommendations:**

1. In accordance with Comment No. 4 above, amend the proposed ordinance to reserve \$175,000 pending selection of the vendor, and submission of the selected vendor's estimated hours and hourly rates to the Board of Supervisors (File 99-1413).

2. Approval of the proposed ordinance (File 99-1412) and the proposed ordinance as amended (File 99-1413), is a policy matter for the Board of Supervisors.

  
for Harvey M. Rose

cc: Supervisor Yee  
Supervisor Bierman  
President Ammiano  
Supervisor Becerril  
Supervisor Brown  
Supervisor Katz  
Supervisor Kaufman  
Supervisor Leno  
Supervisor Newsom  
Supervisor Teng  
Supervisor Yaki  
Clerk of the Board  
Controller  
Legislative Analyst  
Matthew Hymel  
Stephen Kawa  
Ted Lakey





City and County of San Francisco  
Meeting Minutes  
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

City Hall  
1 Dr. Carlton B.  
Goodlett Place  
San Francisco, CA  
94102-4689

Wednesday, March 15, 2000

10:00 AM

City Hall, Room 263

Regular Meeting

Members Present: Leland Y. Yee, Tom Ammiano.

Members Absent: Sue Bierman.

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Meeting Convened

The meeting convened at 10:07 a.m.

REGULAR AGENDA

000268 [Approving the concession lease of Host International, Inc. for a specialty store and newsstand located at the North Terminal Hub of the Airport, at a minimum annual rent for the first year of \$2,550,000]  
Resolution approving the North Terminal Hub Principal Retail Concession lease between Host International, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

2/8/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

3/1/00, CONTINUED. Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Jon Ballesteros, Airport Commission; Supervisor Ammiano; Ted Lakey, Deputy City Attorney. Continued to March 8, 2000.

3/8/00, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Jon Ballesteros, Airport Commission; Supervisor Yee; Supervisor Ammiano; Carl Cramer, Living Wage Coalition. Continued to March 15, 2000.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Jon Ballesteros, Airport Commission; Supervisor Ammiano.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

000289 [Release of Funds, Fire Department]

Hearing to consider release of reserved funds, Fire Department, (1986 Fire Protection Bond interest earnings, File 101-95-61: Ordinance No. 127-96 ), in the amount of \$59,120 to fund the emergency repairs of the City's Auxiliary Water System (AWSS) facilities located at Third/Evans Streets, and Evans/Selby Streets. (Fire Department)

2/14/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

3/8/00, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Supervisor Yee Continued to March 15, 2000; no department representative present.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Patrick Rivera, Department of Public Works; Supervisor Yee. Amended to only release \$54,542.

APPROVED AND FILED by the following vote:

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000311 [1999-2000 Budget Status Report]****Supervisor Yee**

Hearing to consider the 1999-2000 Budget Status Report issued by the Controller

2/14/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Ed Harrington, Controller, Supervisor Ammiano; Erin McGrath, Mayor's Office of Finance, Supervisor Yee; Ted Lakey, Deputy City Attorney; Marc Norton, S.F. for Tax Justice; Robert Layman.*

**FILED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000412 [Three Year Budget Projection Joint Report]****Supervisor Yee**

Hearing to consider the Three Year Budget Projection joint report which has been prepared by the Board of Supervisors' Budget Analyst, the Controller, and the Mayor's budget director.

3/6/00, RECEIVED AND ASSIGNED to Finance and Labor Committee. Sponsor requests this matter be considered at the March 15, 2000 meeting.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Ed Harrington, Controller, Supervisor Ammiano; Erin McGrath, Mayor's Office of Finance, Supervisor Yee, Ted Lakey, Deputy City Attorney, Marc Norton, S.F. for Tax Justice; Robert Layman*

**FILED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000348 [Reserved Funds, Department of Human Services]**

Hearing to consider release of reserved funds, Department of Human Services, (Fiscal Year 1999-2000 Budget), in the amount of \$200,000 to fund the CalWORKS College Scholarship program. (Human Services Department)

2/24/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Will Lightbourne, Executive Director, Department of Human Services. Amended to only release \$140,000.*

**APPROVED AND FILED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000183 [Limitation Period for Filing Tax Claim]**

Ordinance amending Article 6 of Part III of the San Francisco Municipal Code by amending Section 6.15-1 to providing that any claim for refund of taxes paid be filed within six months from the time the return was filed or the tax was paid, whichever period expires later, with the exception that in no event shall such period expire prior to the shortest period allowable for filing tax refund claims under Title 1, Division 3.6, Part 3, Section 911.2 of the California Government Code. (City Attorney)

1/28/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 3/8/2000

2/15/00, CLERICAL CORRECTION. Corrected to insert "Section 6.15-1" in title only

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Ted Lakey, Deputy City Attorney, Supervisor Yee.*

**RECOMMENDED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**SPECIAL ORDER - 11:00 A.M.****000309 [Bond Initiative]****Supervisor Leno**

Hearing to discuss the possibility of a bond initiative for the November 2000 ballot to address the infrastructural needs of San Francisco General Hospital and community clinics and the placement of City health clinics in San Francisco's public schools.

2/14/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Heard in Committee. Speakers: Supervisor Yee; Supervisor Ammiano; Supervisor Leno; Harvey Rose, Budget Analyst; Ed Harrington, Controller; Jim Chappell, Director, SPUR; Dr. Mitchell Katz, Director of Health; Monique Zmuda, Department of Public Health; Monique Moyer, Mayor's Office of Public Finance; Dr. Tom Coates, Director, UCSF AIDS Research Institute; Dr. Paul Volberding, Director, UCSF Positive Health Program; Roma Guy, President, Health Commission; Ron Hill, Health Commissioner; Trish Bascom, Supervisor, SFUSD School Health Program; Maureen McCarthy, Health Center; Balboa High School; Nathan Nayman, Regional Vice President, Hospital Council; Dan Martin, SEIU Local 250; Fred Hobson, Alice B. Toklas Club; Gilbert Criswell, Harvey Milk Democratic Club; Sonya Hotchkiss; M. P. R. Howard, Tom Waddell Community Health Center; Otto Duffy, Community Health Network; Denise D'Anne, Emergency Coalition to Save Public Health; Giuliana Micanese; Ruth Vaughn, Potrero Hill Health Clinic; Richard Heasley, Conard House; Helynna Brooke, Executive Director, Mental Health Board; Mary Kate Connor.*

**CONTINUED TO CALL OF THE CHAIR** by the following vote:

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**ADJOURNMENT**

*The meeting adjourned at 1:27 p.m.*





Susan Hom  
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CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

March 9, 2000

**TO:** Finance and Labor Committee  
**FROM:** Budget Analyst  
**SUBJECT:** March 15, 2000 Finance and Labor Committee Meeting

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Item 1 - File 00-0268

**Note:** This item was continued by the Finance and Labor Committee at its meeting of March 8, 2000.

**Department:** Airport

**Item:** Resolution approving the North Terminal Hub Principal Retail Concession lease between Host International, Inc. and the City and County of San Francisco, acting by and through its Airport Commission.

**Location:** North Terminal Hub of the Airport

**Purpose of Lease:** Concession space for a specialty store and a newsstand (See Description Section below)

**Lessor:** City and County of San Francisco through the Airport Commission

**Lessee:** Host International

**No. of Sq. Ft. and  
Monthly Rental Revenues  
Payable by  
Host International  
to the Airport:**

A total of 4,984 square feet at two locations in the Airport's North Terminal Hub, consisting of 3,784 square feet for a specialty store and 1,200 square feet for a newsstand. The total rental revenues to be paid by Host International to the Airport based on the Minimum Annual Guarantee would be approximately \$42.50 per square foot per month, or \$212,500 per month (\$2,550,000 annually).

**Annual Rental Revenues  
Payable by  
Host International  
to the Airport:**

The proposed lease would require Host International to pay the Airport the greater of a Minimum Annual Guarantee (MAG) of \$2,550,000 for each year of the five year lease term, or a percentage of gross revenues realized by Host International. According to the lease, the annual percentage of gross revenues is 12% for the first \$500,000, 14% between \$500,000 and \$1,000,000, and 16% for all gross revenues in excess of \$1,000,000. The terms of the proposed lease are similar to the terms of concession leases previously approved by the Board of Supervisors for the Airport. The subject lease also provides for annual increases in the Minimum Annual Guarantee based on increases in the U.S. Department of Labor Department Store Inventory Price Index-Soft Goods.<sup>1</sup>

**Term of Lease:**

The proposed lease is scheduled to commence in December of 2000, upon completion of the required renovation work by Host International. The lease would be for a five-year period, terminating in December of 2005.

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<sup>1</sup> According to Ms. Gigi Ricasa of the Airport, soft goods are defined as retail goods such as toys, sunglasses, and books. The Airport has determined that this price index is the most appropriate one to apply to leases for Airport concessions.

The five-year lease term begins on the Rent Commencement Date, defined in the lease as the first day both spaces covered by the subject lease are fully operational. According to Ms. Gigi Ricasa of the Airport, the specialty store is expected to be operational by June 10, 2000. However, the newsstand is not expected to be operational until December of 2000 due to the North Terminal/Thumb Expansion. Ms Ricasa advises that prior to completion of the newsstand and the Rent Commencement Date, expected in December of 2000, Host International will pay to the Airport a prorated rent based on the 3,784 square feet for the operating specialty store (the total 4,984 square feet covered by the subject lease less the 1,200 square feet for the newsstand).

**Right of Renewal:** None

**Utilities and Janitor**

**Provided by Lessor:** The Lessee will pay for the costs of all utilities and janitorial services.

**Description:** The proposed resolution would approve a concession lease for Host International to operate one specialty store and one newsstand in the North Terminal Hub of the Airport. Under the terms of the subject lease, Host International has identified the following five retail "concepts" to be sold in the specialty store: (1) Souvenir/Gift Items; (2) High-End Retail; (3) Bay Area-Northern California Specialty Items; (4) Museum-Related Products; and (5) Aviation-Related Products.

The proposed lease would require Host International to sell the following at the newsstand: local, daily and out-of-town newspapers; 200 separately displayed periodicals and magazines; 300 separately displayed hardback and paperback books, plus candy, tobacco, health aids, and souvenir items.

Host International would directly operate the first 3 of the 5 concepts listed above for the specialty store and all of the newsstand, totaling 3,488 square feet.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance and Labor Committee  
March 15, 2000 Finance and Labor Committee Meeting

or 70 percent of the total 4,984 square feet covered by the subject lease. Host International would sublease operation of the two remaining concepts in the specialty store to two Disadvantaged Business Enterprises (DBEs): I-5 Concessions, LLC and Sun Shade Holding Corporation. The total 1,496 square feet sub-leased by the DBE companies would be approximately 30 percent of the total 4,984 square footage covered by the lease.

The following table identifies the two retail spaces covered by the subject lease, the five concepts for the specialty store, the types of goods sold by each business, and the square footage occupied by each business.

Concession	Operator	Concept	Sq. Feet
Specialty Store	Host	Souvenir Gift Items	2,288
		High-End Retail	
		Bay Area & Northern California Items	
	I-5 Concessions	Aviation Products	748
	Sun Shade	Museum Products	748
	Total Sq Ft for Specialty Store		3,784
Newsstand	Host	Newsstand	1,200
Total Square Feet for Lease			4,984

**Tenant  
Improvements:**

Host International would be required to invest a minimum of \$150 per square foot to renovate the subject lease space, or a total of \$747,600 for the 4,984 square feet covered by the subject lease.

Under the terms of the proposed lease, Host International would have the option to request Airport approval for two temporary facilities to sell merchandise during such renovations, estimated to take 90 days. During such time, Host would pay the Airport a percentage rent of 20 percent of gross revenues. In addition, Ms. Ricasa states that the Airport plans to give Host International permission to operate a temporary facility to sell newsstand merchandise during the period that the North Terminal Hub/Thumb Expansion delays the turnover of space to Host International. Host International will pay to the Airport 20 percent of gross revenues earned from the temporary newsstand facility.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Comment:** According to Ms. Ricasa, on September 21, 1999 the Airport issued Invitations to Bid to 60 firms for the subject concession lease, as stated in the Attachment to this report. provided by the Airport. Subsequently, on December 21, 1999, the Airport Commission adopted a resolution awarding the lease to Host International, the highest responsive and qualified bidder. The Attachment also contains a list of all firms that submitted bids for this concession and their Minimum Annual Guarantees.

**Recommendation:** Approve the proposed resolution.



2001-2002  
 2003-2004  
 2005-2006  
 2007-2008  
 2009-2010

DATE: February 23, 2000

TO: Emily Newman  
Budget Analyst Office

FROM: Gigi Ricase  
Airport Concession Development and Management:

Subject: North Terminal Hub Principle Retail Concession Lease (the "Lease")

This Lease was developed based on the compatibility with passenger needs and desires, current marketing and retail trends, demographics of the traveling public, the economy, the existing concession the surrounding area and proposals received from the community or retail industry.

### Standard Marketing Procedure for any Concession Opportunity

After Airport Commission approves staff to conduct a pre-bid/proposal conference, Concession Development and Management ("CDM") staff mails a letter of interest to a mailing list that has been generated by CDM that relates to the concept of the concession opportunity. The interested parties who respond to the letter of interest are placed on a more specified mail list. The specified mail list receives copies of pre-bids and bid documents. For this Lease, the draft Request for Qualification and Proposal and Bid ("RFQ/P and Bid") Documents and the final RFQ/P and Bid Documents were mailed to approximately 60 people who responded to the letter of interest. There were 32 attendees at the public informational conference held in August 1999.

### Competitive Process

The competitive process used for this Lease was a proposal and a bid process. Interested parties were each required to submit a proposal, which requires for four to five retail concepts in the bigger space and a newsstand for the smaller space. The other main requirement was that the successful Proposer sublease 30% of the total square footage to Disadvantaged Business Enterprises(s). If the proposal(s) was deemed acceptable, the proposer advances to the second stage which is the bid stage. The Proposer's bid form is opened at a public meeting and at this stage, whoever submits the highest bid amount is announced the apparent successful bidder. This Bidder then submits additional paperwork regarding Human Rights Commission Requirement to ensure that this Bidder meets those requirements.

Memo to Emily Newman  
February 23, 2000  
Page 2

Result of RFQ/P/ and Bid

There were two companies who submitted proposals: ① Host International, Inc. and ② Pacific Gateway Concessions, LLC. Both proposals were deemed acceptable, therefore, both Proposers' bid forms were opened, and the result was:

Bidder	Bid Amount
Host International, Inc.	\$2,550,000
Pacific Gateway Concessions, LLC	\$1,408,999.99

The Airport Commission formally awarded the Lease to Host International, Inc. on December 21, 1999.

Highest Bidder and its Proposed Subtenant

Host proposed four concepts in the bigger space, and they are: ① Souvenir merchandise, ② Museum items, ③ Aviation items ④ California regional packaged food products, and ⑤ High end retail. Host will sublease two of the concepts to the following DBEs: I-5 Concessions, LLC and Sun Shade Holding Corporation. The rent for the DBE is as follows: "Tenant shall charge the DBE Subtenant, as rent, no more than the same tiered rent percentage to the DBEs, which is as follows:

- 12% of Gross Revenues from the subleased premises achieved up to and including \$500,000; plus
- 14% of Gross Revenues from the subleased premises achieved from \$500,000.01 up to and including \$1,000,000; plus
- 16% of Gross Revenues from the subleased premises over \$1,000,000.

Please do not hesitate to contact me at (650) 794-4505 if you have further questions. Thank you for your assistance in obtaining Board of Supervisors' approval on this Lease.



Item 2 - File 00-0289

**Note:** This item was continued by the Finance and Labor Committee at its meeting of March 8, 2000.

**Department:** Fire Department  
Department of Public Works  
Department of Parking and Traffic  
Water Department

**Item:** Hearing to consider the release of reserved funds in the amount of \$59,120 to fund emergency repairs of the Auxiliary Water Supply System (AWSS) facilities located at the intersections of Third and Evans Streets and Evans and Selby Streets.

**Amount:** \$59,120

**Source of Funds:** Fire Protection Systems Improvement General Obligation (GO) Bonds, previously appropriated and placed on reserve by the Board of Supervisors

**Budget:** The summary budget for the subject reserved funds is as follows:

<b><u>Third Street and Evans Street</u></b>	
Department of Public Works Staff – Planning and Design	\$26,083
Department of Parking & Traffic Staff – Traffic Routing Plans	<u>3,477</u>
<b>Third/Evans Subtotal</b>	<b>\$29,560</b>
<b><u>Evans Street and Selby Street</u></b>	
Department of Public Works Staff – Planning and Design	\$26,083
Department of Parking & Traffic Staff – Traffic Routing Plans	<u>3,477</u>
<b>Evans/Selby Subtotal</b>	<b>\$29,560</b>
<b>Total Project Budget</b>	<b><u>\$59,120</u></b>

Attachment I to this report, provided by the Department of Public Works (DPW), contains details to support the summary budget above.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Description:**

The subject reserved funds would be used for the planning and design work needed for the repair of two ruptured Auxiliary Water Supply System (AWSS) pipes at the intersections of Third Street/Evans Street and Evans Street/Selby Street. The AWSS is a system of reservoirs, cisterns, pipelines, pump stations, and fireboats, comprising the source of water supply for fire protection in emergency situations.

The City sold a total of \$46.2 million in Fire Protection Systems Improvement General Obligation Bonds (\$31 million in 1987 and \$15.2 million in 1991) to finance improvements to the City's Auxiliary Water Supply System. In March of 1996, the Board of Supervisors approved a supplemental appropriation ordinance for \$3,907,900 (File 101-95-61) from accrued interest from the Fire Protection Systems Improvement Bonds for four categories of capital improvement projects: (1) repair and improvement of the Fireboat Phoenix, (2) implementation of motorized AWSS control valves, (3) repairs to the AWSS water storage tank, and (4) emergency repairs of AWSS facilities. The subject requested release of reserved funds would come from category (4) emergency repairs of AWSS facilities.

**Comments:**

1. According to Mr. Patrick Rivera of the Department of Public Works, two ruptured 12-inch diameter pipes were discovered in the Auxiliary Water Supply System (AWSS) pipelines, at the intersections of Evans and Selby Streets and Third and Evans Streets on January 2, 2000 and February 2, 2000 respectively. Mr. Rivera advises that the Fire Department conducted initial investigations after receiving reports of water leaks. After the source of each leak was located, the main valves on both ends of the ruptured pipes were closed, shutting off the high-pressure water supply to Bayview Hunters Point. According to Mr. Bill Gunn of the Fire Department, the disabled ruptured pipes significantly hamper fire protection for Bayview Hunters Point since the two pipes are the only direct water sources for fire emergencies in the district.

2. According to Mr. Rivera, during the time since DPW and the Fire Department originally submitted the subject request for a release of reserved funds, repairs have already begun on the ruptured pipe at Third and Evans Streets. Such repairs will cost an estimated total of \$24,982. This amount of \$24,982 to repair the leak is \$4,578 less than the original request in the subject proposal of \$29,560 for the design and planning necessary to repair the ruptured pipe. According to Mr. Rivera, as stated in Attachment II, after further investigation, DPW and the Fire Department learned that the leak at Third and Evans Streets was less serious than they had first anticipated and that they could repair the leak at a lower cost, without going through the design and planning process. According to Mr. Rivera, DPW and the Fire Department believed it was important to begin the emergency repairs as soon as possible since Bayview Hunters Point depends on the two ruptured AWSS pipes for fire protection.

A summary budget for the repairs at Third and Evans Streets is as follows:

<u>Repairs: Third and Evans Streets</u>	
<b>Labor</b>	
Fire Department	\$10,254
Water Department	6,554
DPW – Bureau of Street & Sewer Repair	<u>2,000</u>
<b>Labor Total:</b>	\$18,808
<b>Equipment</b>	3,490
<b>Materials</b>	<u>2,684</u>
<b>TOTAL BUDGET COSTS:</b>	<b>\$24,982</b>

Attachment III, provided by DPW, contains details to support the summary budget shown above. According to Mr. Rivera, it is standard procedure for DPW to use part of the subject requested reserved funds to



reimburse the Fire Department, the Water Department and the Department of Parking and Traffic for their work, as stated in Attachment III.

3. The proposed release of reserved funds should be amended to account for the repairs that have already begun at Third and Evans Streets, as described in Comment No. 2 above. The original proposed release of reserved funds of \$29,560 for design and planning for repairs of the AWSS system at Third and Evans Streets should be reduced by \$4,578 to the current cost estimate of \$24,982 to repair the leak. The amended total subject request would thus be \$54,542, or \$4,578 less than the original request of \$59,120, for: (1) repairs at Third and Evans Streets (\$24,982), and (2) design and planning for repairs at Evans and Selby Streets (\$29,560).

4. According to Mr. Rivera, and as detailed in Attachment I provided by DPW, the subject funds totaling \$29,560 allocated for repairing the remaining ruptured pipe at Evans and Selby Streets would be expended for: (a) DPW staff to prepare plans and specifications for the repair of the 12-inch diameter pipe (\$26,083); and (b) Department of Parking and Traffic (DPT) to prepare traffic routing plans at the location (\$3,477). Also included in the cost for both DPW and DPT is coordination with utility companies and the DPW Bureau of Streets and Mapping for preparation of construction permits.

5. According to Mr. Rivera, the design and planning for repair work on the remaining ruptured pipe at Evans and Selby Streets would begin as soon as the Board approves the subject request for release of reserved funds. DPW intends to request a second release of reserved bond funds for the actual construction work to repair the ruptured pipe. The construction to repair the leak would begin approximately in May of 2000.

Memo to Finance and Labor Committee  
March 15, 2000 Finance and Labor Committee Meeting

- Recommendations:**
1. Amend the proposed release of reserved funds to reduce the requested amount by \$4,578 from \$59,120 to \$54,542 as stated in Comment No. 3 above.
  2. Approved the proposed release of reserved funds as amended.

**Department of Public Works**  
**Engineering Design Services**

**EVANS AND SELBY DESIGN FEE ESTIMATE**

Department	Classification	Classification Number	Number of Hours	Hourly Rate (including overhead)	Extension
Public Works	Associate Mechanical Engineer	5254	85	\$77	\$6,545
Public Works	Senior Mechanical Engineer	5258	10	\$103	\$1,030
Public Works	Engineering Assoc.	5346	36	\$57	\$2,052
Public Works	Senior Clerk	1446	16	\$45	\$720
Parking & Traffic	Assoc. Traffic Engineer	5228	10	\$60	\$600
Parking & Traffic	Traffic Engineer	5230	37	\$69	\$2,553
Parking & Traffic	Senior Traffic Engineer	5232	4	\$81	\$324
Public Works	Project Manager II	5504	85	\$84	\$7,140
Public Works	Civil Engineer (Hazardous Specifications)	5208	31	\$91	\$2,821
Public Works	Associate Civil Engineer (Spec Review)	5206	75	\$77	\$5,775
<b>TOTAL</b>					<b>\$29,560</b>

**3RD AND EVANS DESIGN FEE ESTIMATE**

Department	Classification	Classification Number	Number of Hours	Hourly Rate (including overhead)	Extension
Public Works	Associate Mechanical Engineer	5254	85	\$77	\$6,545
Public Works	Senior Mechanical Engineer	5258	10	\$103	\$1,030
Public Works	Engineering Assoc.	5346	36	\$57	\$2,052
Public Works	Senior Clerk	1446	16	\$45	\$720
Parking & Traffic	Assoc. Traffic Engineer	5228	10	\$60	\$600
Parking & Traffic	Traffic Engineer	5230	37	\$69	\$2,553
Parking & Traffic	Senior Traffic Engineer	5232	4	\$81	\$324
Public Works	Project Manager II	5504	85	\$84	\$7,140
Public Works	Civil Engineer (Hazardous Specifications)	5208	31	\$91	\$2,821
Public Works	Associate Civil Engineer (Spec Review)	5206	75	\$77	\$5,775
<b>TOTAL</b>					<b>\$29,560</b>
<b>TOTAL FOR BOTH LOCATIONS</b>					<b>\$59,120</b>

Source: Department of Public Works



Willie Lewis Brown, Jr., Mayor  
Mark A. Primeau, AIA, Director



Department of Public Works  
Project Management Division  
30 Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, CA 94102-6020  
Kathryn How, Assistant City Engineer

## MEMORANDUM

To: Emilie Neumann  
Budget Analyst

Date: February 23, 2000

From: Patrick Rivera  
DPW-Project Manager

Subject: **Release of Reserve Revision  
AWSS Repair at 3<sup>rd</sup> and Evans**

This is to clarify and revise the Request for Release of Reserve that was submitted to the Board of Supervisors on February 11, 2000 by the San Francisco Fire Department (SFFD). The request was for design funds to prepare construction documents for the repair of Auxiliary Water Supply System (AWSS) leaks that were discovered in January 2000 at two locations: 3<sup>rd</sup> and Evans and Evans and Selby. The estimate to prepare construction documents for the 3<sup>rd</sup> and Evans site is \$29,560 and for the Evans and Selby site is \$29,560.

It has come to my attention, that repairs have begun at the 3<sup>rd</sup> and Evans site without the need for construction documents. The repairs were performed on a rush basis by City workers because of the importance of restoring AWSS service to that line and that neighborhood and the ability to mobilize on short notice. The repairs were performed by SFFD plumbers and San Francisco Water Department truck drivers, operating engineers and carpenters. The repair consisted of excavating and exposing the 12 inch pipe and replacing loosened rubber pipe gaskets. The labor cost to perform the repair was \$16,808. Planning and engineering design services were not needed at this site because the repairs were simple enough to make in the field.

In addition to the labor costs are equipment and material costs (i.e. backhoe, dumptruck, crane and steel plates), and the cost to repair the roadway (i.e. construct concrete roadbase and asphalt concrete). The equipment and material cost estimate for the repair is \$2,734 and the cost estimate to repair the roadway is \$5,440.

I would like to revise the request for release of reserve funds for the 3<sup>rd</sup> and Evans site only from \$29,560 to \$24,982.

If you have any questions, please call me at 558-4045.

attachment

c: Project File

City and County of San Francisco



Willie Lewis Brown, Jr., Mayor  
Mark A. Primeau, AIA, Director



(415) 558-4021  
FAX (415) 558-4519  
<http://www.sfdpw.com>

Department of Public Works  
Project Management Division  
30 Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, CA 94102-6021  
Kathryn How, Assistant City Engineer

## MEMORANDUM

To: Emilie Neumann  
Budget Analyst

Date: February 29, 2000

From: Patrick Rivera  
DPW-Project Manager

Subject: Clarification for AWSS Repair at 3<sup>rd</sup> and Evans and Evans and Selby

Because there are various departments working on the two sites, the following is an explanation of the responsibility of each department for each of the sites.

3<sup>rd</sup> and Evans

SFWD: provide the operators, truck drivers, carpenters, equipment and materials required to excavate the site in order to expose the leak. The cost for this work is \$9,288.

SFFD: provide the plumbers in order to replace the damaged pipe gaskets. The cost for this work is \$10,254.

DPW: provide the cement finishers, laborers and equipment required to replace the roadway section after all pipe repairs are complete. The cost for this work is \$5,440.

Evans and Selby:

DPW: provide the Mechanical Engineers required to prepare construction plans specifications and estimates for the repair of the pipe leak. The cost for this work is \$26,083.

DPT: provide the traffic engineers required to prepare the traffic routing plans needed during construction. The cost for this work is \$3,477.

The standard practice for handling release of reserves and the transfer of funds to the various departments and agencies is that DPW issues work orders. This way there is one point of contact for handling the transaction and most importantly tracking the funds.

If you have any questions, please call me at 558-4045.

attachment

c: Project File

3rd and Evans AWSS Pipe Repair

Equipment and Material Cost Estimate for AWSS Repair

	Qty	Unit	Rate	Extension
Backhoe	24	hours	\$ 30.00	\$ 720.00
Dump Truck	24	hours	\$ 36.00	\$ 864.00
Boom Truck	24	hours	\$ 25.00	\$ 600.00
Steel Plate	5	days	\$ 100.00	\$ 500.00
Gaskets	2	each	\$ 25.00	\$ 50.00
				<u>\$ 2,734.00</u>

Cost Estimate to Repair Roadway

	Qty	Unit	Rate	Extension
Backfill	36	tons	10	\$ 360.00
Asphalt Concrete	2	tons	100	\$ 200.00
Concrete Base	144	sf	20	\$ 2,880.00
Labor	1	lump sum	2000	\$ 2,000.00
				<u>\$ 5,440.00</u>
				\$ 8,174.00

Source: Department of Public Works

equipment estimate



COSTS DO NOT INCLUDE MATERIALS, PARTS OR PAVING. THESE COSTS ARE FOR LABOR ONLY  
(Fire Department and Water Department)

### SAN FRANCISCO FIRE DEPARTMENT WORK SHEET

12" high-pressure main break

5:00PM Start Time

EACH	RATE	CLASSIFICATION	DATE	LOCATION	HOURS WORKED	TOTAL
	overtime					
1	\$ 69.00	7250 Utility Plumber Sup.	2/3/00	EVANS & 3RD ST.	6	\$ 414.00
1	\$ 62.00	7388 Utility Plumber	2/3/00	EVANS & 3RD ST.	6	\$ 372.00
1	\$ 38.00	7514 General Laborer	2/3/00	EVANS & 3RD ST.	6	\$ 228.00
					<b>TOTALS</b>	<b>\$ 1,014.00</b>

5:00PM Start Time

EACH	RATE	CLASSIFICATION	DATE	LOCATION	HOURS WORKED	TOTAL
1	\$ 69.00	7250 Utility Plumber Sup.	2/4/00	EVANS & 3RD ST.	6	\$ 414.00
2	\$ 62.00	7388 Utility Plumber	2/4/00	EVANS & 3RD ST.	6	\$ 744.00
1	\$ 38.00	7514 General Laborer	2/4/00	EVANS & 3RD ST.	6	\$ 228.00
					<b>TOTALS</b>	<b>\$ 1,386.00</b>

5:00PM Start Time

EACH	RATE	CLASSIFICATION	DATE	LOCATION	HOURS WORKED	TOTAL
1	\$ 69.00	7250 Utility Plumber Sup.	2/6/00	EVANS & 3RD ST.	14	\$ 966.00
2	\$ 62.00	7388 Utility Plumber	2/6/00	EVANS & 3RD ST.	14	\$ 1,736.00
1	\$ 38.00	7514 General Laborer	2/6/00	EVANS & 3RD ST.	14	\$ 532.00
1	\$ 49.00	7355 Truck Driver SFWD	2/6/00	EVANS & 3RD ST.	14	\$ 686.00
1	\$ 58.00	7328 Oper. Eng. SFWD	2/6/00	EVANS & 3RD ST.	14	\$ 812.00
1	\$ 54.00	7344 Carpenter SFWD	2/6/00	EVANS & 3RD ST.	14	\$ 756.00
					<b>TOTALS</b>	<b>\$ 5,488.00</b>

5:00PM Start Time

EACH	RATE	CLASSIFICATION	DATE	LOCATION	HOURS WORKED	TOTAL
1	\$ 69.00	7250 Utility Plumber Sup.	2/7/00	EVANS & 3RD ST.	6	\$ 414.00
2	\$ 62.00	7388 Utility Plumber	2/7/00	EVANS & 3RD ST.	6	\$ 744.00
1	\$ 38.00	7514 General Laborer	2/7/00	EVANS & 3RD ST.	6	\$ 228.00
1	\$ 49.00	7355 Truck Driver SFWD	2/7/00	EVANS & 3RD ST.	6	\$ 294.00
1	\$ 58.00	7328 Oper. Eng. SFWD	2/7/00	EVANS & 3RD ST.	6	\$ 348.00
2	\$ 54.00	7344 Carpenter SFWD	2/7/00	EVANS & 3RD ST.	6	\$ 648.00
					<b>TOTALS</b>	<b>\$ 2,676.00</b>

5:00PM Start Time

EACH	RATE	CLASSIFICATION	DATE	LOCATION	HOURS WORKED	TOTAL
1	\$ 69.00	7250 Utility Plumber Sup.	2/12/00	EVANS & 3RD ST.	14	\$ 966.00
2	\$ 62.00	7388 Utility Plumber	2/12/00	EVANS & 3RD ST.	14	\$ 1,736.00
1	\$ 38.00	7514 General Laborer	2/12/00	EVANS & 3RD ST.	14	\$ 532.00
1	\$ 49.00	7355 Truck Driver SFWD	2/12/00	EVANS & 3RD ST.	14	\$ 686.00
1	\$ 58.00	7328 Oper. Eng. SFWD	2/12/00	EVANS & 3RD ST.	14	\$ 812.00
2	\$ 54.00	7344 Carpenter SFWD	2/12/00	EVANS & 3RD ST.	14	\$ 1,512.00
					<b>TOTALS</b>	<b>\$ 6,244.00</b>
					<b>TOTAL COSTS</b>	<b>\$ 16,808.00</b>

Source: Fire Department and Department of Public Works

Items 3 and 4 – Files 00-0311 and 00-0412

1. Item 4, File 00-0311 is a hearing to consider the 1999-2000 Budget Status Report issued by the Controller. Item 5, File 00-0412 is a hearing to consider the Three Year Budget Projection joint report prepared by, the Mayor's Budget Director, the Controller and the Board of Supervisors Budget Analyst.

2. The Controller's 1999-2000 Budget Status Report was prepared in conformance with Charter Section 3.105 and issued on February 8, 2000. The report is based on General Fund revenues received and appropriations expended through the first six months of Fiscal Year 1999-2000, ending December 31, 1999. The report noted that the City's revised FY 1999-2000 budget as of that date included unappropriated reserves of \$27.6 million. The Controller also projected that projected actual revenues for FY 1999-2000 exceed the revised budget by \$54.4 million and total estimated expenditures and transfers for FY 1999-2000 were \$8.2 million less than appropriations. In total, therefore, the Controller projected a favorable year end General Fund surplus of \$90.2 million (comprised of the \$27.6 million in unappropriated reserves, \$54.4 million in projected excess revenues and \$8.2 million in estimated expenditure savings.)

3. At the time the Controller's 1999-2000 Budget Status Report was issued, the Controller noted that the projected FY 1999-2000 surplus of \$90.2 million was \$25.2 million less than the \$115.4 million FY 1998-99 surplus used as a source of funds to balance the FY 1999-2000 budget. Therefore, although the projected FY 1999-2000 budget surplus of \$90.2 million indicated that the City remains in sound financial condition, the fact that the projected General Fund surplus was less than the prior year surplus used to fund the FY 1999-2000 budget indicated that the City would have approximately \$25.2 million less surplus funds to fund the FY 2000-2001 budget (\$115.4 million less \$90.2 million).

In addition to the Controller's 1999-2000 Budget Status Report issued after the first six months of each Fiscal Year, the Controller also issues a follow-up nine month Budget Status Report with updated estimates of the status of the General Fund budget. The Controller's nine month report is typically issued in late April or early May of each year.

4. On March 6, 2000, the Three Year Budget Projection joint report prepared by, the Mayor's Budget Director, the Controller and the Board of Supervisors' Budget Analyst was issued. This report is required by Administrative Code Section 3.6. This report provides three year projections of General Fund revenues and other sources of funds as well as the estimated cost of providing the current level of City

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

services using current business practices. The report is not intended to commit the City to future spending levels. Such actual spending levels will be subject to the availability of funds and policy decisions of the Mayor and Board of Supervisors.

The joint report projected revenue shortfalls for each of the next three Fiscal Years: \$24.4 million in the forthcoming FY 2000-01, \$40.4 million in FY 2001-2002 and \$55.4 million in FY 2002-2003. The report emphasizes that all of these final budgets, as required by State law, will be balanced and all projected shortfalls will be eliminated.

5. The projected \$24.4 million revenue shortfall for FY 2000-2001 is comprised of the following key elements: a) a reduction of available surplus funds from the prior year of \$25.2 million as noted above; b) increased General Fund revenues of \$78.0 million (net of reduced Department of Public Health revenues amounting to \$11.7 million); and c) net increased estimated expenditures and uses of funds of \$77.2 million. In summary therefore, the reduced prior year surplus funds available (\$25.2 million) and increased expenditures and uses of funds (\$77.2 million) are offset by a projection of \$78.0 million in increased revenue, resulting in a projected \$24.4 million revenue shortfall for FY 2000-2001.

Item 5 - File 00-0348

**Department:** Department of Human Services (DHS)

**Item:** Hearing to consider a release of \$200,000 reserved in the Department of Human Services Fiscal Year 1999-2000 budget to fund the CalWORKs College Scholarship Program.

**Amount:** \$200,000

**Source of Funds:** General Fund monies reserved in the Fiscal Year 1999-2000 Department of Human Services budget. During the FY 1999-2000 budget hearings, the Finance and Labor Committee recommended and the full Board of Supervisors approved that \$200,000 for the CalWORKs College Scholarship Program be placed on reserve pending submission of program budget details.

**Description:** The Department of Human Services (DHS) is now requesting a release of this \$200,000 in reserved funds from the Fiscal Year 1999-2000 Department of Human Services budget for the CalWORKs College Scholarship Program. This scholarship program provides approximately \$2,000 annually to eligible CalWORKs participants pursuing college degrees that extend beyond their 18 to 24 month limit on aid and services provided by CalWORKs. The subject \$200,000 in reserved funds would fund the first year of the scholarship program, from June 2000 until June 2001, at an estimated cost of \$140,000 for annual scholarships (\$2,000 each for approximately 70 students) and \$60,000 for administrative costs. Under CalWORKs, families receiving Temporary Assistance to Needy Families (TANF) must be enrolled in a personalized welfare to work plan to qualify to receive aid. CalWORKs recipients must move to employment within 18 to 24 months after enrolling in their welfare to work plan. Recipients who do not move to employment within 18 to 24 months will be penalized and lose the adult portion of their aid (the children in the family will continue receiving aid).<sup>1</sup>

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<sup>1</sup> According to Ms. Janet Diamond of DHS, the 24-month time limit applies to recipients already receiving aid when CalWORKs was first implemented in April 1998. The 18-month time limit applies to recipients who applied for aid after the April 1998 implementation date.

One way CalWORKs recipients can meet their welfare to work requirements during the first 18 to 24 months is to enroll in an approved educational program or vocational training. After 18 to 24 months, CalWORKs recipients will lose the adult portion of their benefits if they do not find employment or perform 32 hours a week of community service.

The CalWORKs College Scholarship Program is designed to support CalWORKs participants pursuing college degrees that extend beyond their 18 to 24 month limit on aid and services. According to Ms. Janet Diamond of DHS, the CalWORKs College Scholarship Program will make up the amount of cash aid a recipient loses for not meeting the work/community service requirement (approximately \$1,200 annually per student) plus the costs of CalWORKs benefits such as a Fast Pass for parent and children (approximately \$800 annually per student), for an estimated total of \$2,000 annually per student. According to Ms. Diamond, the exact amount of scholarship money given to a CalWORKs student would be based on the exact amount of cash aid that particular student lost due to being penalized for not meeting work/community service requirements.

A community-based organization (CBO) would administer the \$2,000 per student CalWORKs College Scholarship Program, as well as provide a mentoring service for students receiving a CalWORKs scholarship. According to Ms. Diamond, DHS will issue a Request for Proposal (RFP) on March 9, 2000 to select a CBO to administer the program. DHS estimates the administrative costs to be \$60,000 (\$20,000 to be used in Fiscal Year 1999-2000 and \$40,000 to be used in Fiscal Year 2000-2001). Ms. Diamond reports that DHS will not have budget details for the CBO administrative costs totaling \$60,000 listed in the summary budget shown below until DHS selects a CBO. Ms. Diamond anticipates that DHS will select a CBO by April 30, 2000. Ms. Diamond advises that the CBO contract to administer the scholarship would begin June 1, 2000 to ensure enrollment of eligible student participants before classes begin in August of 2000.



**Budget:**

The subject \$200,000 in reserved funds were reserved for the current Fiscal Year 1999-2000. However, the Attachment to this report, provided by DHS, explains that DHS will not be able to spend \$180,000 of the subject \$200,000 during Fiscal Year 1999-2000 because during this fiscal year no CalWORKs college students will become eligible for the CalWORKs College Scholarship Program. DHS thus requests that the remaining \$180,000 in reserved funds be released as a project appropriation to be carried forward to allow DHS to use the funds in Fiscal Year 2000-2001, as explained in the Attachment.

The summary budget for the subject \$200,000 in reserved funds, to be used in Fiscal Year 1999-2000 and Fiscal Year 2000-2001, is as follows:

CalWORKs College Scholarship Program	FY 1999-2000	FY 2000-2001	Total Combined
Estimated Number of Students to Receive CalWORKs Scholarships	0	70	70
Scholarship Funds (Estimated \$2,000 per student per year)	-----	\$140,000	\$140,000
Contract to CBO to Administer Scholarship and Mentoring Program	\$20,000	40,000	60,000
<b>Total Project Costs:</b>	<b>\$20,000</b>	<b>\$180,000</b>	<b>\$200,000</b>

**Comments:**

1. The Budget Analyst notes that DHS has not yet issued a Request for Proposal (RFP) to select a CBO to administer the CalWORKs College Scholarship Program, and thus does not yet have details to support the administrative costs, estimated to be \$60,000 (\$20,000 for Fiscal Year 1999-2000 plus \$40,000 for Fiscal Year 2000-2001), as listed in the summary budget shown above. According to Ms. Diamond, DHS will issue a Request for Proposal (RFP) on March 9, 2000 to select a CBO to administer the CalWORKs College Scholarship Program. Ms. Diamond anticipates that DHS will select a CBO by April 30, 2000, and that the CBO contract to administer the CalWORKs College Scholarship Program will begin June 1, 2000.



2. Therefore, the Budget Analyst recommends that the subject resolution be amended to release \$140,000, of the total \$200,000, in reserved funds for direct scholarship costs as a project appropriation to continue forward for DHS to use in Fiscal Year 2000-2001. The remaining \$60,000 in reserved funds budgeted for administrative costs (\$20,000 for Fiscal Year 1999-2000 plus \$40,000 for Fiscal Year 2000-2001) should remain on reserve until DHS has selected a community-based organization to administer the CalWORKs College Scholarship Program and DHS can provide budget details for the program's administrative costs.

3. Furthermore, as covered by DHS in the Attachment, the CalWORKs College Scholarship Program is being funded with "one-time only" monies. Since the proposed funds would extend through June of Fiscal Year 2000-2001, DHS advises that the department will not be requesting additional funds for the subject scholarship program in the upcoming Fiscal Year 2000-2001 budget. However, according to Ms. Diamond, DHS plans to request an additional estimated \$200,000 in funding for the CalWORKs College Scholarship Program for Fiscal Year 2001-2002 in its Fiscal Year 2001-2002 budget request.

- Recommendations:**
1. Amend the proposed release of reserved funds to reduce the requested amount of \$200,000 to \$140,000 (the \$200,000 request less the \$60,000 budgeted for administrative costs), in accordance with Comment No. 2 above.
  2. Approve the release of \$140,000 in reserved funds, as amended.

City and County of San Francisco

Department of Human Services



MEMORANDUM

March 7, 2000

TO: Emilie Neumann  
Budget Analyst's Office

FROM: Julie Brenman  
Director of Planning and Budget

RE: CalWORKs Scholarships

This is to respond to some of your specific questions about DHS' request to release the reserved funding for CalWORKs Scholarships.

**Origin of Funding**

During the FY 99-00 Budget hearings, the Board of Supervisors Finance Committee placed \$200,000 in the DHS budget for the CalWORKs scholarship program. This funding was placed on reserve pending further program definition. The funding was also designated as "one-time only" by the Finance Committee.

The CalWORKs Scholarship Program is designed to support CalWORKs participants pursuing four year college degrees after their 18/24-month limit on services is reached. The Board of Supervisors funded this program to allow eligible CalWORKs participants that have reached their 18/24-month time limit to continue to attend college without bearing a losing income. The scholarship will make up the amount of the lost cash grant.

**Program Development and Timing**

DHS established a community workgroup to develop the program, coordinate academic resources with the scholarship fund, and ensure that the Department carries out the Board's intentions. The workgroup is comprised of DHS staff, Advocates from Coleman Advocates, Family Rights and Dignity, Lifetime, the Women's Democratic Forum, administrators and staff from City College of San Francisco and San Francisco State University. The workgroup recommended that the project management be contracted to a community organization and DHS will issue an RFP this month.

We have not requested to spend any funds on CalWORKs Scholarships yet because no CalWORKs college student will reach his/her 18/24 months of services during this fiscal year. However, beginning in summer 2000, this will begin to occur. We plan to begin services in June 2000 to ensure enrollment of eligible student participants before classes begin in the August 2000.

### **Request for Project Budget**

We are requesting the funds be placed into a project budget because the program must follow an academic calendar, not a city fiscal calendar. The two calendars are not compatible. In addition, the commitment of scholarship money will be for more than one year and DHS will need to assure the students of financial support for the duration with confidence. We are asking the student to take a sanction, an action we – and they – do not take lightly. The process is not easy to institute and not easy to remedy. We must be sure we are able to commit to the whole process until graduation.

As this program was funded with one-time money and because we were instructed to submit a baseline budget for FY 00-01 that did not include any one-time programs, we have not requested funding for the CalWORKs Scholarship program in FY 00-01. If these funds are placed in a project budget, we anticipate that we will be able to meet all program needs through June 2001 with the FY 99-00 allocation of \$200,000.

### **Budget**

The cost of managing the fund and the mentoring program is \$60,000. The amount to be spent in FY99-00 will be about \$20,000 due to initial start-up costs. Since we have not received the proposals from the community agencies yet, we cannot specify exactly how the contractor will allocate the program resources. We will ensure that no more than \$60,000 is spent on administration of the program and services to program participants. If less than \$60,000 is needed for this component, we will reallocate an savings to the scholarships themselves.

We have allocated \$140,000 for the scholarships. This will serve approximately 70 students (each scholarship is calculated based on loss of aid, which varies by case, so we cannot provide exact amounts). New students will become eligible each month as they reach their 24-month limit on services.

If you have any additional questions, please contact me at 557-5641.

Item 6 - File 00-0183

**Department:** Tax Collector

**Item:** Ordinance amending Article 6 of Part III of the San Francisco Municipal Code by providing that any claim for refund of Business Taxes paid be filed within six months from the time the return was filed or the tax was paid, whichever period expires later, with the exception that in no event shall such period expire prior to the shortest period allowable for filing tax refund claims under Title 1, Division 3.6, Part 3, Section 911.2 of the California Government Code.

**Description:** The proposed ordinance would replace the City's current three-year and 90-day limitation periods for filing a claim for the refunding of overpayments or erroneous payment of Business Taxes (i.e., Payroll Taxes and Gross Receipts Taxes) paid to the City with one new six-month limitation period, as established by the California Tort Claims Act. Currently, the City has a 90-day limitation period for filing claims for Business Tax refunds based on United States and California Constitutional and statutory issues and a three-year limitation period for filing claims for Business Tax refunds based on all other issues.

Under the proposed ordinance, the limitation of time would be six months regardless of the type of claim. This six-month period would extend from the time the Business Tax Return was due to the City, or the Business Taxes were paid to the City, whichever of these periods expires later, until the verified written claim stating the specific grounds for filing the claim was submitted to the Tax Collector. The proposed ordinance would also add language that the written claim for refunds must contain specificity sufficient to enable the Tax Collector to understand and evaluate the claim.

In addition, the proposed ordinance states that the period to file the claim for the Business Tax refund cannot expire before the shortest period allowable

for filing the tax refund claim under Title 1, Division 3.6, Part 3, Section 911.2 of the California Government Code, which is the current California Tort Claims Act, or any successor provision as amended from time to time.

The proposed ordinance also states that these new provisions would not apply to extinguish existing causes of action. However, any causes of action that are not time-barred as of the effective date of this ordinance, would expire six months after the effective date of this amendment, or on the date such cause of action would have expired, whichever occurs first. According to Mr. George Putris of the City Attorney's Office, this provision pertains to existing claims against the City for Business Tax refunds, such that, if the proposed ordinance is approved, as of the effective date of this ordinance, the statute of limitation for existing claims will be either (1) reduced to six months, as proposed under this ordinance or (2) the amount of time remaining, if it is less than six months. The Clerk of the Board of Supervisors is also directed to remove this specific transitional provision from Section 6.15-1 of the City's Administrative Code after 42 months (3.5 years) of the effective date of this ordinance.

**Comments:**

1. Mr. Pat Mahoney of the City Attorney's Office advises that, to date, Business Tax claims for refunds have been filed by over 70 different business entities seeking refunds in excess of \$100 million from the City and County of San Francisco. According to Mr. Mahoney, from the over 70 claims filed, five separate lawsuits have resulted, with the expectation that additional lawsuits will be filed. Mr. Mahoney reports that, on March 3, 2000, San Francisco Superior Court heard taxpayer motions for summary judgement on the first two lawsuits, filed by General Motors and Eastman Kodak against the City. According to Mr. Mahoney, the Superior Court issued tentative rulings rejecting the plaintiffs' claim that the City's Business Tax was unconstitutional as a matter of law. The Court also tentatively struck down the City's current statute of limitation of 90 days, which is the subject



of the proposed ordinance. Mr. Mahoney advises that the General Motors and Eastman Kodak cases are presently set for trial on May 30, 2000.

2. According to Mr. Mahoney, the City Attorney's Office is now recommending that the proposed ordinance be amended to a six-month period, as a result of a recent recommendation by the League of California Cities.

3. According to Mr. Mahoney, the City previously selected the 90-day period because, as a Charter City, the City has sovereign power over municipal affairs under Article XI, Section 5, Subdivision (a) of the California Constitution to adopt claim-filing procedures and periods of limitations independent of the enabling legislation contained in Title 1, Division 3.6, Part 3 of the California Government Code. Mr. Mahoney advises that the current 90-day limitation period was established to provide prompt notice to the City and County of San Francisco regarding any legal challenges to the validity of taxes imposed by the Municipal Code. Such prompt notice allows the City to cure any defects in the taxes during the current taxable year and thereby protect the City's revenues for that fiscal year.

4. Extending the current 90-day (three month) period for filing constitutional claims to six months will provide an additional three-month period for businesses to file such tax refund claims with the City. However, the proposed ordinance will also reduce the current three year (36 month) limitation period for all other claims to the same six-month period, and thereby reduce this limitation period by 30 months. Mr. Mahoney advises that since the proposed ordinance would both reduce the period of time permitted for some claimants which may potentially reduce the number of claims filed, while simultaneously increasing the period of time permitted for other claimants, which may potentially increase the number of claims filed, the fiscal impact of such changes is uncertain. The Fiscal Year 1999-2000 Annual Appropriation



Memo to Finance and Labor Committee  
March 15, 2000 Finance and Labor Committee Meeting

Ordinance includes total Business Tax revenues of  
\$246,450,000.

**Recommendation:** Approval of the proposed ordinance is a policy  
matter for the Board of Supervisors.

Item 7 - File 00-0309

1. This item is a hearing to discuss the possibility of submitting a bond initiative to the electorate for the November of 2000 ballot to address (a) the infrastructural needs of the Department of Public Health (DPH) Community Health Network, including San Francisco General Hospital (SFGH) and the primary care centers, and (b) placement of City health clinics in San Francisco's public schools.

2. DPH has identified four main areas requiring capital improvements in the next three to five years. These areas include (a) capital investments for repair and renovation of SFGH and the primary care centers throughout the City, (b) capital improvements to DPH Population Health and Prevention facilities, (c) State-mandated seismic retrofitting or replacement of SFGH, and (d) a new ambulatory care center and research facility to be located on the SFGH campus<sup>1</sup>. Additionally, the DPH has estimated that the masonry buildings on the SFGH campus will require extensive seismic retrofitting, as noted below. The attached memorandum provided by DPH (Attachment I) provides an explanation of these proposed capital improvements.

3. A summary of the estimated capital improvement costs is as follows:

Capital Investments, Community Health Network	
SFGH	\$12,877,300
Primary Care Centers	14,184,057
Population Health and Prevention Facilities	856,000
State-mandated Seismic Retrofitting	
and Upgrades at SFGH	19,350,000
New Medical Clinic and Research Facility	<u>51,650,000 to 61,800,000</u>
Total	\$98,917,357 to \$109,067,357

4. According to Ms. Monique Zmuda of DPH, many of the proposed capital improvement projects at SFGH and in the primary care centers were identified previously but not implemented due to insufficient funding. Mr. Eric Miller, Director of DPH Facilities Management, states that the proposed capital improvement projects at SFGH, totaling \$12,877,300, would (a) increase the outpatient capacity of the Rehabilitation Department, Emergency Department, and Wound Care Clinic, (b) improve the public's access to the SFGH campus, (c) provide funding to develop a long-range master plan for the SFGH campus, with particular emphasis on the seismic improvement requirements of SB 1953 (see below), and (d)

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<sup>1</sup> DPH did not provide information on capital improvements at Laguna Honda Hospital since the voters approved a bond measure in November of 1999 for the rebuilding of Laguna Honda Hospital.

various other projects, including improvement of the campus computer network, repair of roof membranes, upgrade of patient television installations, and replacement of mechanical components. Approximately \$1,500,000 in maintenance costs is included in the estimate of \$12,877,300.

The DPH priority capital improvements at the 20 primary care centers, for a total estimated cost of \$14,184,057, include (a) expansion of clinic exam rooms, (b) reconfiguration of eligibility areas at several health centers to expedite processing of patients, (c) improvement of public access to the clinics, and (d) approximately \$500,000 in maintenance projects. According to Ms. Zmuda, DPH has designated four health clinics as high priority: Maxine Hall Health Center located at 1301 Pierce Street, Southeast Health Center located at 2401 Keith Street, North of Market Clinic located at 333 Turk Street, and Silver Avenue Family Health Center located at 1525 Silver Avenue. Capital improvement projects at these four health centers include renovation of existing space to provide more clinical space.

Attachment II, provided by DPH, contains an explanation and costs details of the proposed capital improvement projects for San Francisco General Hospital and the primary care centers.

5. The DPH Population Health and Prevention Division estimates \$856,000 in capital repairs, including repairs to the Central Administration Building located at 101 Grove Street and to the Redwood Center mental health facility, located in Redwood City. Additionally, of the estimated \$856,000 in capital projects, \$450,000 would be allocated to facilities maintenance projects (Attachment III).

6. SB 1953, which was approved by the State Legislature in 1996, requires acute care hospitals such as SFGH to meet a higher standard of seismic performance before the year 2030. All hospitals are required to perform a seismic safety evaluation and submit a written report to the State for official review by January 1, 2001. Additionally, each acute care hospital must submit a compliance plan to the State before January 1, 2002, describing the proposed remediation of seismic deficiencies. According to Ms. Zmuda, DPH has issued a Request for Qualifications (RFQ) and will select a consultant team by April of 2000 to perform an assessment of the hospital's seismic performance needs. The consultant team will begin an evaluation of the SFGH seismic performance needs this year, including a geotechnical evaluation, a detailed structural engineering review and analysis of the structural frame, and a complete survey of non-structural systems serving hospitalized patients. These studies include evaluations of the SFGH main hospital building, the power plant, and major utility systems located in service tunnels. The consultant team will also assess specific hospital subsystems (medical gases, electrical power, water, fire sprinklers), which are required by SB1953 to meet more stringent seismic requirements. These hospital subsystem requirements

are to be phased in between 2002 and 2008. The consultant's technical report, evaluating the hospital's seismic deficiencies, will be submitted to the State prior to January 1, 2001. Ms. Zmuda states that DPH will request \$2,050,000 in the FY 2000-2001 Capital and Facilities Maintenance budget for immediate seismic upgrades. Attachment IV, provided by DPH, contains an explanation of these proposed seismic upgrades and related costs. An additional estimated amount of \$17,300,000 will be required over the next six years (through FY 2005-2006) to perform seismic retrofitting work at SFGH, for a total estimate of seismic work of \$19,350,000. Attachment IV also provides an explanation for the additional estimated \$17,300,000 in seismic upgrade costs (\$19,350,000 less \$2,050,000).

7. The DPH Community Health Network has proposed the development of a new Medical Clinic and Research Facility at SFGH. According to Mr. Miller, the 10 masonry buildings on the SFGH campus, housing the ambulatory care clinics, are obsolete and seismically at-risk. The proposed Medical Clinic and Research Facility, which would consist of approximately 120,000 square feet, would provide space for primary care and urgent care clinics, psychiatric services, and HIV outpatient services. Additionally, the facility would provide space for clinical activities that need to be relocated during the seismic retrofitting and upgrading of the main hospital. Mr. Miller states that the proposed Medical Clinic and Research Facility would also provide research laboratory and clinical research space to University of California at San Francisco (UCSF) faculty. According to Mr. Miller, such research facilities are necessary to recruit and retain medical staff, and that extra-mural research funding covers a percentage of the salaries of medical staff who provide care to Community Health Network patients. Additionally, Mr. Miller advises that the U.C. Regents will not enter into leases in seismically at-risk facilities after 2008. As shown in Attachment V, provided by DPH, the total estimated cost of the proposed Medical Clinic and Research Facility ranges from \$51,650,000 to \$61,800,000.

8. As noted above, the ten masonry buildings on the SFGH campus require extensive seismic upgrades. According to Mr. Miller, the Department of Public Works Bureau of Architecture estimated the cost of such upgrades to be approximately \$142,000,000. Currently, these buildings are used for outpatient services, offices, and research space. Mr. Miller states that, under the proposed Medical Clinic and Research Facility plan, outpatient services and some research space would be moved to the new Medical Clinic and Research Facility.<sup>2</sup> Mr. Miller states that a general seismic repair program has not been fully formulated. Mr. Miller advises that seismic retrofitting costs are extensive and the estimated

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<sup>2</sup> According to Mr. Miller, the proposed new Facility would contain 25,000 square feet of research space, compared to approximately 300,000 square feet of research space in the masonry buildings. Mr. Miller states that some research space will be moved to the UCSF facility at Mission Bay, but that DPH will have a continued need for approximately 100,000 square feet of research space in addition to the proposed new Facility.



schedule of repairs would be approximately 10 years. Ms. Zmuda states that DPH will evaluate both the costs and possible uses of these buildings.

9. Ms. Zmuda states that DPH is developing a strategic plan, which will define the level and scope of health services provided over the next several years. The recommendations of the strategic plan will be presented to the Health Commission prior to December 31, 2000. As stated in Attachment I, recommendations from the strategic planning process may result in revisions to the proposed capital plan. Ms. Zmuda advises that the proposed capital requirements, pending the results of the DPH strategic planning process and the SFGH seismic performance evaluation, are preliminary.

10. According to Mr. Enrique Navas of the San Francisco Unified School District (SFUSD), the SFUSD has not undertaken an assessment of the capital requirements and costs of implementing a school-based health clinic program.

11. According to Mr. Ben Rosenfield of the Mayor's Office, in order to qualify for the November of 2000 ballot, DPH would have to submit details to support the proposed bond measure for DPH capital improvement programs to the Capital Improvement Advisory Committee by May 3, 2000. If the proposed bond measure is approved by the Capital Improvement Advisory Committee, the Board of Supervisors would have to adopt an ordinance on or before July 24, 2000, for the submission of the bond measure to the voters in the November of 2000 election.

12. According to Ms. Sarah Hollenbeck of the Mayor's Office of Public Finance, the City Charter provides for a legal debt limit of three percent of net assessed property value. The Mayor's Office of Public Finance has calculated the City's Debt Limit Ratio as follows:

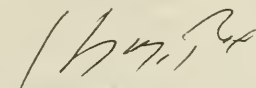
Total City Debt Limit for FY 1999-2000	\$2,114,446,916
Outstanding General Obligation Bonds	<u>897,900,000</u>
Remaining General Obligation Bond Capacity	\$1,216,546,916

Ms. Hollenbeck states that an additional \$810,545,000 in General Obligation Bonds have been authorized by the voters but have not yet been issued. Of this amount, the Mayor's Office of Public Finance expects to issue \$393,085,000 prior to December 31, 2000, as follows:

Community College District	\$ 29,605,000
San Francisco Zoo	15,000,000
Affordable Housing	20,000,000
San Francisco Unified School District	29,480,000
Laguna Honda Hospital	<u>299,000,000</u>
Total	\$393,085,000

Memo to Finance and Labor Committee  
March 15, 2000 Finance and Labor Committee Meeting

Additionally, on March 7, 2000, the voters approved the Recreation and Park Department's \$110,000,000 bond issue. As of the writing of this report, the outcome of the Academy of Sciences' \$87,445,000 bond issue has not been decided. Approval of both bond issues would authorize an additional \$197,445,000 in General Obligation Bonds. Ms. Hollenbeck states that the Mayor's Office of Public Finance expects to issue \$5,000,000 in Academy of Sciences bonds prior to December 31, 2000, in addition to the \$393,085,000 noted above, totaling \$398,085,000.



Harvey M. Rose

cc: Supervisor Yee  
Supervisor Bierman  
President Ammiano  
Supervisor Becerril  
Supervisor Brown  
Supervisor Katz  
Supervisor Kaufman  
Supervisor Leno  
Supervisor Newsom  
Supervisor Teng  
Supervisor Yaki  
Clerk of the Board  
Controller  
Legislative Analyst  
Erin McGrath  
Stephen Kawa  
Ted Lakey



## City and County of San Francisco

## Department of Public Health

Mitchell H. Katz, M.D.  
Director of Health

Date: March 7, 2000

Memo To: Harvey Rose  
Budget Analyst

From: Monique Zmuda  
Chief Financial Officer

Re: Capital Requirements for Department of Public Health Facilities

This memo is in response to requests for information regarding the hearing of the Finance and Labor Committee on the capital requirements for the Department of Health.

The Department of Health has evaluated the capital needs for its clinical facilities for the next three to five years, and has prepared proposals for the consideration by the Board of Supervisors and the Mayor. The following pages summarize the capital needs for the Department of Public Health's acute care hospital and clinics. (This report excludes capital projects for Laguna Honda Hospital since it will be rebuild over the next seven years).

Our initial assessment of facilities indicates that the Department of Health requires capital investments for repair and renovation of our primary care clinics throughout the community. Renovations are required to provide additional examination rooms and other clinical space, to improve patient flow, and to expand dental service areas. In the area of acute care, the Department of Health must comply with the SB1953 Facilities Seismic Safety Act which requires SFGH to meet a higher standard of seismic performance. This requirement will result in seismic retrofit or replacement of San Francisco General Hospital. The Department also proposes to build a new ambulatory care and research facility on the grounds of the San Francisco General Hospital campus. This facility will relocate outpatient clinical services and medical research activities (for which the Department collects rental income) that are currently in the seismically compromised masonry buildings to this new facility. Finally, the Department proposes to complete seismic renovation of the masonry buildings at SFGH. These buildings, once renovated could be used administrative and other non-clinical uses, as well as for intermediate care, independent living or other supportive services.

The attached report contains four components: 1) A list of capital improvements required to SFGH, the hospital based clinics, and the community based clinics; 2) A summary of the implementation of SB1953 for SFGH; 3) A summary of the proposed construction of

the medical clinic and research facility and renovation of red brick buildings and 4) A summary of the need to complete seismic renovation of the masonry buildings at SFGH.

The Department is in the process of developing a strategic plan, which will define the level and scope of services that will be provided over the next several years. The recommendations of the strategic plan will be presented to the Health Commission by year-ending 2000. The recommendations from the strategic planning process may result in revisions to the capital plan presented in this report.

In addition, the Department is in the process of conducting a facility seismic assessment of San Francisco General Hospital. This includes a geotechnical evaluation, detailed structural review and analysis of the frame, and a survey of non-structural systems serving non-ambulatory patients. Results of this assessment will better define the components of the SB1953 project for the next several years. The Department is also involved in a detailed ADA assessment of all of our facilities. As such, these projections of capital requirements for the Department of Health should be considered preliminary until the results of the strategic planning process and the seismic assessment studies have been completed.

Primary Care Centers

Facilities Maintenance	1	500,000	Provide for emergency, routine and planned maintenance at various Primary Care sites. Maintenance at the locations includes plumbing, carpentry, painting, and electrical work.
Maxine Hall Interior Renovations	2	250,000	Adds 5 consultation rooms that will free up exam rooms for direct clinical care.
Silver Avenue IIC Interior Renovations	3	250,000	Reconfigure area to allow for additional exam rooms and better facilitate current eligibility needs.
Painting Exterior at 9 Health Centers	4	415,000	Scope of work varying depending on location includes Lead and Asbestos estimates.
Signage	5	431,000	Program to include design and installation of Exterior/Wayfinding and Interior signs. Includes all required signage.
ADA Projects	6	577,920	Funding to supplement existing ADA transition plan. This will complete the existing plan for the Primary Care Clinic areas at 15 Health Center Sites.
Adult Medical Clinic	7	155,000	Reconfigure existing space to allow for additional exam areas.
Ocean-Park Mental Health Office	8	55,000	Install modular furniture to allow for better utilization of open space.
Waiting Areas	9	215,760	Improve acceptability and accessibility in (9) Health Centers Waiting Rooms, including flooring and fixtures.
IM/IN Reconfiguration/ L.S.	10	340,000	Repair nonconforming separations between Oral Surgery and Gen. Med. Clinic.
Repairs	11	744,377	Scope of work varying to include common areas w/doors and frames and has estimates for Lead and Asbestos.
Painting Interior 10 Health Centers	12	2,000,000	Expansion to include various improvements and reconfiguration of the clinic for better efficiency and code compliance.
Silver Avenue IIC Expansion	13	1,250,000	Major renovation to include re-configured interiors and addition of an elevator to the second floor.
Maxine Hall Renovations	14	2,000,000	Substantial reconfiguration of clinic to increase exam rooms and patient waiting areas, and improve confidentiality in Eligibility area.
North of Market Expansion	15	1,800,000	Substantial reconfiguration of clinic to increase exam rooms and patient waiting areas, and improve confidentiality in Eligibility area.
Castro Mission IIC	16	4,000,000	Expansion of health center to include a new second floor, and various improvements to the first floor.
South East IIC			

\$14,184,057

SUBTOTAL HEALTH CENTERS

# San Francisco General Hospital

PROJECT	RANK	COST	DESCRIPTION
Facilities Maintenance	1	1,500,000	Provide for emergency, routine and planned maintenance at SFGH campus.
Expansion of 4C Wound/Infusion Care	2	112,000	Relocations necessary to expand the wound care service on 4C
Psych Inpatient Unit Renodel	3	185,000	Various interior refurbishment of finishes to improve patient comfort and acceptance. Third of five psych units scheduled for improvements.
PACU Rail System	4	150,000	Minor construction tied to capital equipment request for med gas distribution system.
Geriatric Access/ADA	5	375,000	Various entry area ADA improvements designed to make all principal buildings on campus accessible.
Renovation of Space Bldg. 90	6	80,000	Refurbish space to accommodate moves to expand outpatient PT/OT space.
1st Floor MHI Exhaust Fan Replacement	7	85,000	Improve TB compliance and overall indoor air quality performance.
Ward 12 MIS	8	78,750	Renovation of the MIS support area to accommodate new staff configurations.
Lobby Upgrades	9	65,000	Improve patient access point in Lobbies of Hospital including ADA improvements. Tied to exterior funding through SFGH Foundation.
PT/OT Outpatient Expansion	10	64,000	Expand existing building 9 space to accommodate large unmet need in Out patient Rehabilitation.
PT/OT Re-Configuration	11	90,000	To reconfigure space in Main Hospital to better meet the patient volumes/needs.
Pneumatic Tube System Upgrade	12	550,000	Rehabilitation of existing system to accommodate the transport of blood gas specimens.
ED West-side Renovations	13	165,000	Renovations required to reconfigure the urgent treatment area of the Emergency Department.
ED Triage Area Renovation	14	70,000	Reconfigure main triage desk to accommodate the ergonomic/ada needs tied to the expansion of the Patient Data System.
Replace Fire Alarm System	15	75,000	On-going phased replacement of the fire alarm system to comply with a plan of correction mandated by the CCSF Fire Marshal for the main hospital building.
Ward 6A Renovations	16	215,000	Renovation of the current pediatric unit to flexibly accommodate adult medical/surgical patients.

## San Francisco General Hospital

Directional Sign System	17	300,000	Design and installation of campus directional signage system as required by Knox-Keene standards and ADA for the SFGH campus.
Ward 6B	18	300,000	Due to age, poor condition, and non-standard configuration, upgrade existing Psych unit for better patient utilization.
71D/7L Reconfigurations	19	187,000	Give unit flexibility to change use of room from Jail Health to Psych per census.
SFGHMC Roofs	20	350,000	Repair and overdue replacement of the main hospital roof membranes. Project to be phased in over 5 years. Current age of roof is 25 years.
5FD, 4B Nursing Unit Upgrades	21	115,000	Renovations required to upgrade three nursing units to modern standard, including remodeling of nursing station, and various patient room and utility room renovations.
Parking Lots	22	271,250	Phase I of a multi-part repair program to completely renovate and upgrade all parking lots to conform to modern standards and accessibility.
Nuclear Medicine Equipment Upgrades	23	600,000	Tied to the installation of 3 - large equipment replacement requests.
2nd Angio Suite at Radiology	24	500,000	Tied to Equipment request to replace existing equipment. Will give reliability to both Radiology and Cardiology as well as reducing wait for room availability.
Workman's Comp/Ergonomic Install.	25	100,000	On-going minor repairs and reconfiguration to eliminate ergonomic work areas through the SFGH campus.
Building 10/20 Renovations	26	1,200,000	As the units are reorganized and existing occupants are moved to the CHN 11Q this is the cost to rehab. the existing space and cover the cost of the moves. Will allow the Hospital to free up more exam space in the main building.
Building 9 Ventilation Changes	27		Respond to Health and Safety concerns in Employee Health Services.
Bldg. Security Improvements	28	185,000	Continuation of overall campus security enhancements for campus staff and visitors.
IT/OT Reconfiguration	29	200,000	Reconfiguration of the Rehab department gymnasium and support areas to accommodate outpatient services more effectively.
Inpatient Televisions	30	325,000	Installation of televisions in patient rooms. Current system is failing leaving many Inpatient areas without the ability to provide TV access for our patients.

San Francisco General Hospital

Ward 25 Rehabilitation	31	200,000	Renovation of half of ward 25 to accommodate additional staff brought on-board during the consolidation of the CIIN finance departments.
Institutional Master Plan	32	300,000	Long-range master planning for the SFGH campus, with particular emphasis on conditions being created by SB1953 and the continued use of the non clinical buildings on campus.
3M Renovations	33	3,884,300	Aggressive plan to redesign the General Medicine clinic to meet the needs of the current occupants.
SUBTOTAL SFGH		\$ 12,877,300	



Population Health and Prevention - CENTRAL OFFICE

PROJECT	RANK	COST	DESCRIPTION
Facilities Maintenance	1	200,000	Provide for emergency, routine and planned maintenance at the Central Office for the Department of Public Health.
Window/Door Appliance Repair	2	45,000	Defective, obsolete window hardware must be re-tooled to enhance security and maintain accessibility.
Lock System Upgrade	3	115,000	The 60-year old locking devices are easily penetrated. No master system exists. This project will replace the existing hardware and will bring numerous doors up to current ADA standards.
Exhaust system for Public Bathrooms	4	110,000	Installation of Exhaust system to Public Restrooms. Will be feasible at end of power distribution reconfiguration.
<b>SUBTOTAL CENTRAL</b>		<b>\$ 470,000</b>	

Population Health and Prevention - MENTAL HEALTH

PROJECT	RANK	COST	DESCRIPTION
Facilities Maintenance	1	250,000	Provide for emergency, routine and planned maintenance at various Mental Health sites. Maintenance at the locations includes plumbing, carpentry, painting, and electrical work.
Emergency Diesel Generator Redwood Center	2	45,000	The facility currently has no emergency backup systems. The heating system, domestic water, and kitchen services do not function in this 24-hour residential facility during a power outage.
Reconstruct patio deck Redwood Center	3	91,000	The SE patio deck is badly in need of replacement. It is a 5" reinforced concrete pad that has settled and is not draining properly. The scope will resurface the deck and provide for a functional drainage system.
<b>SUBTOTAL CMHS</b>		<b>\$ 386,000</b>	
<b>TOTAL POPULATION HEALTH &amp; PREVENTION</b>		<b>\$ 856,000</b>	

## Budget Estimates

Anticipated near-term costs are as follows, which may increase as specific details are determined later this calendar year:

FY 00/01	
\$200,000	SB 1953, compliance plan consultant fees
\$275,000	Supplemental funds to cover construction scope increases due to SIC 5 upgrade (through DPW)
\$225,000	Design of retrofits for 2002 (through DPW)
\$1,250,000	Construction contracts for retrofit repairs that must be completed by 2002 (through DPW)
-----	
\$2,050,000	Subtotal FY 00/01
FY 01/02	
\$500,000	Design of phase I of 2008 retrofit work (support and diagnostic areas)
FY 02/03	
\$500,000	Design of phase II of 2008 work (critical care patient units)
FY 03/04	
\$5,000,000	Bids for construction of phase I of 2008 work
\$300,000	Design of phase III of 2008 work (structural upgrade)
-----	
\$5,300,000	Subtotal FY ¾
FY 04/05	
\$6,000,000	Bids for construction of phase II of 2008 work
FY 05/06	
\$5,000,000	Bids for construction of phase III of 2008 work
\$19,350,000	TOTAL CONSTRUCTION and OVERHEAD

- Greater definition will be possible for the scope of anticipated work once the seismic evaluation is completed.
- The costs indicated at right reflect only construction and project overhead costs, and DO NOT at this time include any estimates for relocations, closing and opening costs, or for lost revenues.
- The scale of these additional costs will depend in part on the specific retrofit scenarios chosen, and relocation costs alone may range between \$3 million to \$5 million.
- Costs for temporary space for relocated departments are not estimated. If a temporary facility must be rented or otherwise secured, this cost could be between \$2 million to \$3 million annually.
- Depending on the phasing of work, limitations on patient care and productivity could result in significant revenue losses.

## PROJECT COSTS

*Building Construction* \$30,500,000 to \$35,000,000

*A/E Consultants* \$3,000,000 to \$3,500,000

*Construction Mgmt.* \$1,500,000 to \$2,000,000

*Permits, Fees, Inspections* \$1,200,000 to \$1,900,000

*Contingency* \$2,500,000 to \$3,000,000

*Other Costs*

Artwork \$150,000 to \$250,000

Furniture \$1,000,000 to \$1,500,000

Medical Equipment \$350,000 to \$650,000

Lab Equipment \$550,000 to \$800,000

### SUBTOTAL FACILITY COSTS

\$40,750,000 to \$48,600,000

### Finance Costs

Reserve \$6,200,000 to \$7,500,000

Discount \$1,300,000 to \$1,600,000

Costs of Issuance \$700,000 to \$900,000

Capitalized Interest \$2,700,000 to \$3,200,000

### SUBTOTAL FINANCE COSTS

\$10,900,000 to \$13,200,000

### TOTAL PROJECT BUDGET

\$51,650,000 to \$61,800,000

consistent with the existing Institutional Master Plan, and environmental review has been completed for a project on the SFGH site.

Based on a design-build approach, with extensive CIIN programming input, approximately 4 years will be required to complete the project. Development time could be shortened to approximately three years through fast-track development strategies, but at an increase in project cost.

## Development Costs

The facility construction cost is estimated between \$40.8 to \$48.6 million. Between \$38.7 to 46.5 million will be the developer's direct cost, which will be recovered through a long-term operating lease to the City. The development team selected for this project will bear the burden of most of the direct costs of design, permit issuance and construction.

The remaining \$2 to \$3 million for furnishings and equipment would be funded through other sources, most probably as a one-time operating expense. The SFGH Foundation has expressed great interest in funding many of the clinical care items of the project.

The project budget is based on a detailed construction estimate of a similar building at this site that the City had previously offered for development two years ago, as well as on the \$26 million MHR.



City and County of San Francisco  
Meeting Minutes  
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

City Hall  
1 Dr. Carlton B.  
Goodlett Place  
San Francisco, CA  
94102-4689

Clerk: Mary Red

Wednesday, March 22, 2000

10:00 AM

City Hall, Room 263

Regular Meeting

Members Present: Leland Y. Yee, Tom Ammiano.

Members Absent: Sue Bierman.

Meeting Convened

The meeting convened at 10:04 a.m.

DOCUMENTS DEPT.

MAR 27 2000

REGULAR AGENDA

SAN FRANCISCO  
PUBLIC LIBRARY

- 000235 [Approving the concession leases of Travelex America, Inc. to operate two (2) ATM facilities at the Airport, at a minimum annual rent for the first year of \$240,500 for each lease]  
Resolution approving two Automated Teller Machine Leases for the existing and New International Terminal Buildings between Travelex America, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)  
2/4/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.  
3/1/00, CONTINUED. Continued to March 8, 2000.  
3/8/00, CONTINUED. Continued to March 22, 2000.  
Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Jon Ballesteros, Airport.  
CONTINUED TO CALL OF THE CHAIR by the following vote:  
Ayes: 2 - Yee, Ammiano  
Absent: 1 - Bierman
- 000236 [Approving the concession lease of Travelex America, Inc. to operate a foreign currency exchange office at the Airport, at a minimum annual rent for the first year of \$4,127,500]  
Resolution approving the Foreign Currency Exchange Lease in the Existing and New International Terminal Buildings between Travelex America, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)  
2/4/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.  
3/1/00, CONTINUED. Continued to March 8, 2000.  
3/8/00, CONTINUED. Continued to March 22, 2000.  
Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Jon Ballesteros, Airport.  
RECOMMENDED by the following vote:  
Ayes: 2 - Yee, Ammiano  
Absent: 1 - Bierman

**000318 [Approving award of New International Terminal Fine Dining Restaurant Lease to GQC Holdings, Inc. at a minimum annual rent of \$134,300 for the first year]**

Resolution approving New International Terminal Fine Dining Restaurant Lease to GQC Holdings, Inc., a certified disadvantaged business enterprise, and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

2/16/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

3/8/00, CONTINUED. Continued to March 22, 2000.

*Heard in Committee. Speakers. Harvey Rose, Budget Analyst, Jon Ballesteros, Supervisor Ammiano, Supervisor Yee*

**RECOMMENDED** by the following vote:

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000379 [Implementing the provisions of 'MOU' between MEA and Superior Court for the period 10/1/99 through 9/30/01]**

Ordinance implementing the provisions of the Memorandum of Understanding between the Superior Court of California, County of San Francisco and the Municipal Executives Association. (Superior Courts)

2/28/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in committee. Speakers. Harvey Rose, Budget Analyst, Gordon Park-Li, Assistant CEO, Superior Court; Supervisor Yee. Amended to provide salary rate increases retroactive to October 1, 1999*

**AMENDED.**

Ordinance implementing retroactive to October 1, 1999, the provisions of the Memorandum of Understanding between the Superior Court of California, County of San Francisco and the Municipal Executives Association. (Superior Courts)

**RECOMMENDED AS AMENDED** by the following vote:

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000380 [Establishing rates of pay and other economic benefits for various unrepresented classes in the Superior Court effective 10/1/99 through 9/30/00]**

Ordinance setting the rates of compensation and other economic benefits for certain management classifications of persons employed by the Superior Court of California, County of San Francisco. (Superior Courts)

2/28/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in committee. Speakers. Harvey Rose, Budget Analyst; Gordon Park-Li, Assistant CEO, Superior Court; Supervisor Yee. Amended to provide salary rate increases retroactive to October 1, 1999.*

**AMENDED.**

Ordinance setting retroactive to October 1, 1999, the rates of compensation and other economic benefits for certain management classifications of persons employed by the Superior Court of California, County of San Francisco. (Superior Courts)

**RECOMMENDED AS AMENDED** by the following vote:

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000381 [Salary rate change for Pro Tem Commissioner in the Superior Court]**

Ordinance setting the rate of compensation for Superior Court Classification 0256 (Pro Tem Commissioner) employed on an "as needed" basis by the Superior Court of California, County of San Francisco. (Superior Courts)

2/28/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Heard in committee. Speakers: Harvey Rose, Budget Analyst; Gordon Park-Li, Assistant CEO, Superior Court; Supervisor Yee.*

**RECOMMENDED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**SPECIAL ORDER - 11:00 A.M.****000413 [Quality of Life - 24th Street and Mission corridor]**

**Supervisor Ammiano**

Hearing to examine the quality of life and economic development of the 24th Street and Mission corridor which spans from 18th Street to Cesar Chavez and from Potrero to Guerrero Streets.

3/6/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Heard in Committee. Speakers: Supervisor Ammiano; Tony Hester, Mission Agenda; Ted Lakey, Deputy City Attorney; Betty Trainer, North of Mission Neighborhood Association; Luis Pardo, Friends of Urban Forest; Tom Radulovich, Director, Bay Area Rapid Transit District (BARTD); Debra Johnson, Government and Community Relations, BARTD; Dan Ritz, Mission Economic Development Association (MEDA); Steven Liu, Chinese Merchants Association; Troy Otomoto, Public Health Department; Henry Diaz, Department of Public Works; Kate Duram, Human Services Department; Joe LaTorre, Mayor's Office of Housing; Lisa Pagon, Project Manager, Mission Housing; Philip Dochow; Maria Poblet, Mission SRO Collaborative; Chris Daly, Mission Agenda; Oscar Grande, PODER; Eric Quezada; Cesar Peralta; Andrew Wood, ODC Theater; Dr. Norma Tecson, Executive Director, Filipino American Council; Carla Wilson; Sergio Canjura; Lizette Hernandez, MEDA; Kathy Phillips, St. Johns Education Thresholds Center; Jonathan Youtt, Cellspace; Commandar William Travis Gibson, BARTD Police.*

**CONTINUED TO CALL OF THE CHAIR by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**ADJOURNMENT**

*The meeting adjourned at 12:40 p.m.*





90.254

3

/22/00

Susan Hom

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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

March 16, 1999

DOCUMENTS DEPT

MAR 21 2000

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TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: March 22, 2000 Finance and Labor Committee Meeting

Item 1 - File 00-0235

Note: This item was continued by the Finance and Labor Committee at its meeting of March 8, 2000.

Department:

Airport

Item:

Resolution approving two new automated teller machine leases for the new International Terminal between Travelex America, Inc. and the City and County of San Francisco, acting by and through its Airport Commission.

Location:

New International Terminal Complex of the Airport.

Purpose of Leases:

The proposed two new leases would provide space in the new International Terminal for 20 to 22 automated teller machines (ATM), at ten different locations. Travelex America, Inc. would install and operate the proposed ATMs. Travelex America, Inc. is required to install at least two ATMs at each of the ten locations, and has the option to install a third ATM at two of the ten locations, resulting in a maximum of 22 ATMs. The Airport issued two separate leases to operate ATMs in order to provide lease opportunities to as many companies as possible, however, Travelex America, Inc. was the

Memo to Finance and Labor Committee  
March 22, 2000 Finance and Labor Committee Meeting

only company to submit bids for the two subject leases (See below "Description" section).

**Lessor:** City and County of San Francisco, acting by and through its Airport Commission.

**Lessee:** Travelex America, Inc., a Delaware Corporation

**Monthly Rental Revenues**  
**Payable by Travelex America, Inc.**  
**to the Airport:**

\$20,125 monthly for each lease, for a total of \$40,250 per month for both leases (\$241,500 annually per lease, or \$483,000 annually for both leases.)

**Annual Rental**  
**Revenues Payable by**  
**Travelex America, Inc.**  
**to the Airport:**

Beginning from the first year of the lease, and through the duration of the five-year lease period, the base annual rent payable by Travelex America, Inc. to the Airport includes the Minimum Annual Guarantee of \$241,500 for each lease, for a total of \$483,000 per year, subject to Consumer Price Index (CPI) annual adjustments. The \$483,000 total Minimum Annual Guarantee for both leases applies to the ten proposed ATM locations, regardless of whether Travelex installs 20 or 22 ATMs. In addition to the Minimum Annual Guarantee of \$241,500 for each lease, Travelex America, Inc. would pay to the Airport *Percentage Rent* and *Transaction Rent*, defined as follows:

*"Percentage Rent" means rent paid in addition to and without set off against the [Minimum Annual Guarantee], in an amount equal to thirty-three percent (33%) of any Transaction Surcharge and/or changes for Optional Uses [defined as shown in Attachment I to this report] approved by Director and charged to ATM Customers who use the ATMs on the Premises.*

*"Transaction Rent" means rent paid in addition to and without set off against the [Minimum Annual Guarantee], in an amount equal to ten cents (\$0.10) for each Customer Use of Tenant's ATM on the Premises except that Transaction Rent shall not be payable with respect to 1) ATM Customer Use as to which Percentage Rent is payable, and 2) ATM Customer Use for which no transaction is completed due to reject of a customer's card or aborting by the customer of the ATM Customer Use prior to concluding any transaction.*

According to Mr. Bob Rhoades of the Airport, the Airport has not projected future revenues to be paid by Travelex to the Airport, in addition to the Minimum Annual Guarantee of \$241,500 for each lease, based on anticipated Percentage and Transaction Rent payments. Mr. Rhoades advises that estimating demand for the new ATMs and related surcharge revenues is difficult since the ATMs will be located in a new building, for which there is no historical data for making such forecasts.

However, according to Mr. Rhoades, Travelex stated in its bid to the Airport that it plans to request permission from the Airport Director to impose a transaction surcharge on all ATM customers, as stated in Attachment II, provided by the Airport. Under the terms of the lease, Travelex may not charge a transaction surcharge of more than \$1.50 per customer use, and Travelex would pay the Airport 33 percent of those surcharges. Under the terms of the lease, Travelex America, Inc. must have written approval from the Airport Director to impose a transaction surcharge, as stated in the lease as follows:

*Tenant shall not charge Transaction Surcharges except as approved by Director [emphasis added]. The Maximum amount of any such Transaction Surcharge that may be approved shall be \$1.50 per Customer Use. The amount of any such Transaction Surcharge and*

*a clear description of the customers to which it applies must be posted in a clearly visible manner on the exterior of the ATM unit, or stated clearly through the ATM's electronic display requesting the Customer if they agree to continue the transaction with a Transaction Surcharge before the Customer Use is completed...Transaction Surcharges shall be subject to Percentage Rent as described in the lease.*

- Attachment II also contains: (a) the companies that currently hold leases with the Airport for ATMs in the Airport, (b) the annual Minimum Annual Guarantees paid by each of these companies to the Airport for the ATMs, and (c) the total combined surcharge revenues of \$315,192 paid to the Airport by these companies for the ATM leases during 1999.

**Term of Lease:**

The two proposed leases would commence on September 26, 2000. Each lease would be for a five year period, terminating on September 25, 2005.

**Right of Renewal:**

The Airport would have sole discretion to grant two one-year extensions for each lease.

**Utilities and Janitorial  
Provided by Lessor:**

The Lessee pays for the costs of all utilities and janitorial services.

**Description:**

On August 17, 1999, the Airport Commission requested bids for two Automated Teller Machine Leases for the new International Terminal Building. Subsequently, on December 21, 1999, the Airport Commission adopted a resolution awarding the two leases to Travelex America, Inc., the sole bidder (Resolution No. 99-0458). According to Mr. Rhoades, the sole bidder, Travelex America, Inc., submitted a Minimum Annual Guarantee bid of \$241,500. Mr. Rhoades advises that the Airport issued Invitations to Bid for the two ATM leases to 141 firms. Mr. Rhoades advises that the Airport decided to issue two separate leases, to operate 10 to 11 ATMs each, in order to provide lease opportunities to as many companies as possible.

Attachment II also explains why the Airport received only one bid to operate the ATMs at the Airport.

Under the two proposed leases, Travelex America, Inc. would install and operate 20 to 22 ATMs, at ten different locations throughout the new International Terminal. The ATMs would operate 24 hours a day, seven days a week.

**Tenant  
Improvements:**

The Lessee would be required, at its sole cost, to design and construct the ATM enclosures, including all fixtures, furnishings and equipment necessary to Travelex America Inc.'s operations under the subject lease. Travelex America, Inc.'s costs for these improvements shall not be less than \$5,000 per ATM, or \$100,000 to \$110,000 for all 20 to 22 ATMs. This minimum of \$5,000 does not include the cost of purchasing and installing the ATMs themselves. According to Mr. Rhoades, the Airport requires a minimum of \$5,000 in improvements per ATM to ensure that Travelex America, Inc. constructs ATM enclosures consistent with the design, materials and quality of the new International Terminal.

**Comments:**

1. Mr. Rhoades anticipates that all 20 to 22 ATMs in the new International Terminal will be completed by August 15, 2000. Mr. Rhoades advises that the Airport's new International Terminal is now scheduled to open September 26, 2000, or three months later than the previously estimated opening date of June 26, 2000, in order to allow the Airport time to test the new facilities.

2. Item 5, File 00-0236 of this report to the Finance and Labor Committee, pertains to another proposed Airport lease to Travelex America, Inc. to provide Foreign Currency Exchange facilities at various locations in the Airport.

3. In November of 1999, the voters of San Francisco approved Proposition F to prohibit banks and other financial institutions from charging a fee to persons who do not have an account with that bank or



financial institution, for use of that bank or financial institution's automated teller machines in San Francisco. These fees are often in addition to fees charged to the customer by the customer's own bank. In response to passage of Proposition F, Bank of America, Wells Fargo and the California Bankers' Association sued the City, arguing that the City had no authority to restrict the fees that banks charge customers. In November of 1999, a U.S. District Court Judge granted a preliminary injunction preventing the City from enacting Proposition F. According to Mr. Marc Slavin of the City Attorney's Office, the City is currently appealing that injunction. Mr. Slavin advises that the City Attorney's Office has not yet formally determined whether Proposition F's restriction on surcharge fees would apply to ATMs at the Airport.

4. Mr. Slavin advises that the City Attorney's Office has not yet formally determined whether Travelex America, Inc. fits the definition of "bank or financial institution," as defined in Proposition F. However, if the City Attorney's Office determines that Travelex America, Inc. does fall within the purview of Proposition F and that Proposition F applies to ATMs at the Airport, and if Proposition F is upheld in the courts, then Travelex America, Inc. would be prohibited from charging the proposed surcharge of up to \$1.50.

As previously reported, the Airport has not estimated the amount of revenues that would be generated by such proposed surcharges. However, in accordance with the proposed lease provisions, the Airport would receive 33 percent of these surcharge revenues from Travelex America, Inc.

5. The Budget Analyst notes that under the proposed leases, the Airport Director would have the authority to approve such transaction surcharges of up to \$1.50 per customer use. Given the recent approval of Proposition F by the San Francisco voters, the current legal status of this issue, and the potential for Travelex America, Inc. to be affected by this Proposition, the Budget

Memo to Finance and Labor Committee

March 22, 2000 Finance and Labor Committee Meeting

Analyst considers approval of the proposed resolution to be a policy matter for the Board of Supervisors.

**Recommendation:**

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

**EXHIBIT B**  
**USE AND OPERATIONAL REQUIREMENTS**

1. **GENERAL REQUIREMENTS:** All ATM Services shall be provided on a non-exclusive basis, and Airport reserves the right to sell and to permit other Airport tenants to provide such services. Tenant may not offer any services not described below as being "Required" or "Optional", without Director's prior consent.
2. **REQUIRED/OPTIONAL SERVICES:** In the event Director permits any service to be sold or offered that is not listed below, or otherwise permits any other change in the Permitted Use, this Exhibit shall be deemed amended without need for a formal amendment of this Lease. Tenant shall be required to operate the Premises in accordance with the requirements, and offer the service, as described below.

**A. Required Uses:**

Tenant shall provide the following services, on a non-exclusive basis:

1. Dispense United States currency
2. Provide access to network support form no less than four of the following networks: Plus, Star, Cirrus, GlobalAccess and Interlink and accept no less than four of the following credit cards: American Express, Diner's Club, MasterCard, Visa, Discover Novus Card.
3. Provide a written receipt of each transaction.
4. Provide display functions on user operation
5. Display transaction fee surcharge information

**B. Optional Uses:**

Tenant may provide, on a non-exclusive basis, the following "Optional Use, as approved in writing by the Director. Any "Optional Use" for which Tenant receives or charges a commission, surcharge or other fee shall be subject to payment of percentage rent as described in Section 4 of the Lease

1. Provide access to financial networks and credit cards other than those required under *Exhibit B 2.4.2*, hereto
2. Dispense traveler's checks
3. Dispense United States postage stamps at face value
4. Provide tickets for San Francisco regional area cultural, performing arts and sporting events.
5. Dispense airline tickets.

6. Display animated software graphics
7. Accept deposits to accounts.
8. Handle debit card transactions.
9. Other services consistent with the operations of ATMs that can be demonstrated to benefit customers and the traveling public, if and as approved by the Airport Director.

### 3. PROHIBITED USES/SERVICE

Tenant understands and agrees that the following products or services are not included within the Permitted Use, without the prior written consent of Director, which consent may be granted or denied in Director's absolute and sole discretion.

1. Any and all sales of phone cards
2. Dispense or exchange foreign currency
3. Offer gambling of any kind
4. Display advertising, except that electronic display of Tenant's services during "wait" times while transactions are processing shall not be deemed to be advertising prohibited hereunder
5. Sell any type of merchandise

### 4. OPERATIONS

#### A. Hours of Operations

Each ATM shall operate twenty-four (24) hours a day, seven (7) days a week including holidays.

#### B. Maintenance and Operation of Units

ATMs must be capable of handling, via telephone link, access to accounts for transactions including withdrawals, deposits and charges against credit lines. Without limiting the generality of Section 3.11 [Compliance with Laws], Tenant shall cause the operation of ATMs to be in compliance with all Governmental, Banking and FAA Regulations, including security requirements and Airport Rules and Regulations. Tenant shall be responsible for the secure transport of cash and receipts to and from each specific ATM location. Pursuant to FAA Regulations, no arms are permitted beyond the security checkpoints. Airport police shall not be responsible for escorting ATM service personnel.

The ATMs and each location will be kept in clean, dust free, neat and first-class business-like and orderly condition at all times. The ATMs will be serviced and monitored in a manner that ensures the continual and uninterrupted operation of each unit. The Airport Director may require more frequent servicing and stocking upon written notice to Tenant. Failure to maintain and service units according to the aforesaid standard will result in the imposition of

progressively stringent fines, as provided in Section 15.8 hereto. Emergency service response should be available within ninety (90) minutes of notice. Except for emergency response, servicing of the ATM units must be done during off-peak hours of 2:30 p.m. through 5:30 p.m. and 8:30 p.m. through 5:30 a.m. or other hours as may be designated in writing from time to time by Director.

**C. Informational Displays**

Tenant shall provide and display at each ATM unit all written directions necessary to instruct customers in the operation of the ATM. Tenant shall also provide, either through the ATM's electronic display or affixed to the ATM, information for the obtaining machine services and/or refunds. Tenant shall not place or install any racks, stands or other display on any Airport property outside the Premises.

**D. Transaction Surcharges**

Tenant shall not charge Transaction Surcharges except as approved in writing by Director. The Maximum amount of any such Transaction Surcharge that may be approved shall be \$1.50 per Customer Use. The amount of any such Transaction Surcharge and a clear description of the customers to which it applies must be posted in a clearly visible manner on the exterior of the ATM unit, or stated clearly through the ATM's electronic display requesting the Customer if they agree to continue the transaction with a Transaction Surcharge before the Customer Use is completed. Any Transaction Surcharges charged by Tenant must be consistent throughout the Airport and cannot exceed charges at other locations in Tenant's system. Transaction Surcharges shall be subject to Percentage Rent as described in the Lease.

**E. Management**

Tenant shall select and appoint a full-time experienced manager fully authorized to represent and act on behalf of Tenant providing an emergency contact number on a twenty-four (24) hour basis.

Tenant shall not staff the ATM locations, conduct other business, provide other services or sell any type of merchandise. No brochures or advertising will be displayed without prior written approval from the Airport Director

The provisions set fourth in this *Exhibit B* shall be in addition to and not in limitation of the other provisions in the Lease.

San Francisco International Airport

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AIRPORT COMMISSION  
SAN FRANCISCO INTERNATIONAL AIRPORT  
CITY AND COUNTY OF SAN FRANCISCO

MEMORANDUM

AIRPORT  
COMMISSION  
CITY AND COUNTY  
OF SAN FRANCISCO

WILLIE L. BROWN, JR.  
MAYOR

HENRY E. BERMAN  
PRESIDENT

LARRY MAZZOLA  
VICE PRESIDENT

MICHAEL S. STRUNSKY

LINDA S. CRAYTON

CARYL ITO

JOHN L. MARTIN  
AIRPORT DIRECTOR

TO: Emilie Neumann  
Budget Analyst's Office

DATE: February 24, 2000

FROM: Jon Ballesteros

SUBJECT: File #000235 - Airport ATM Services Lease

Below please find the background information you requested regarding the Resolution before the Board of Supervisors approving the Airport's Lease for ATM Services.

**SURCHARGES**

Traveler America, Inc. plans to charge a surcharge as permitted in Exhibit B. The amount of the surcharge will not exceed \$1.50.

The Airport will receive 33% of any surcharge Traveler charges.

**CURRENT ATM LEASE AGREEMENTS**

Bank of America currently has two Leases with ATM Machines: Lease L86-0039 has two bank branches and eight ATM machines and a MAG of \$214,160 (plus additional surcharge and transaction rents) and Lease L97-0039 has six ATM machines and a MAG of \$107,451 (plus additional surcharge and transaction rents).

Wells Fargo Bank Lease 97-0293 has 10 ATM machines and a MAG of \$187,472 (plus additional surcharge and transaction rents).

The total amount of transaction fee and surcharge revenues generated by the leases in calendar year 1999 equaled \$315,192.



Emilie Neumann  
February 24, 2000  
Page 2

### ESTIMATED ANNUAL RENTAL REVENUES

Traveler America, Inc. was the sole responsive bidder, and Traveler America, Inc. will execute both Leases, with the bid amount of \$241,500 which will be the minimum annual guarantee for each Lease for the first year. Traveler America, Inc. will pay the MAG for each Lease plus, additional surcharge and transaction rents.

There are no estimated forecasts for revenues generated from transaction fees at this time as these fees are based on user volume. Due to the fact that the ATM machines will be located in a building that did not exist previously, there is no historical data on which to make such forecasts.

### BIDDING PROCESS

The Airport offered Invitations to Bid for the ATM services lease to 158 firms. Staff received one bid from Traveler America, Inc. for \$241,500.

Bank of America and Wells Fargo Bank were invited to bid on these leases. However, both companies cited issues with the rent structure, the \$180,000 Minimum Bid, and the outcome of legal activity surrounding Proposition "F", the initiative that would prohibit ATM surcharges in San Francisco.

Memo to Finance and Labor Committee  
March 22, 2000 Finance and Labor Committee Meeting

Item 2 - File 00-0236

**Note:** This item was continued by the Finance and Labor Committee at its meeting of March 8, 2000.

**Department:** Airport

**Item:** Resolution approving a new foreign currency exchange lease at the Airport between Travelex America, Inc. and the City and County of San Francisco, acting by and through its Airport Commission.

**Location:** Eleven different locations at the Airport, as identified in Attachment I, provided by the Airport.

**Purpose of Lease:** The proposed lease would provide approximately 1,229 square feet of space to operate foreign currency exchanges in 11 locations at the Airport, as identified in Attachment I, provided by the Airport.

**Lessor:** City and County of San Francisco, acting by and through its Airport Commission.

**Lessee:** Travelex America, Inc., a Delaware Corporation

**No. of Sq. Ft. and  
Monthly Rental Revenues  
Payable by Travelex America  
to the Airport:**

The proposed lease would include approximately a total of 1,229 square feet to operate ten foreign currency exchange facilities and one office for administration, as explained in Attachment I, provided by the Airport. The total rental revenues to be paid by Travelex America to the Airport would be approximately \$280 per square foot per month, or \$343,958 per month (\$4,127,500 annually).

**Annual Rental  
Revenues Payable by  
Travelex America  
to the Airport:**

Beginning from the first year of the lease, and through the duration of the five-year lease period, the base annual rent payable by Travelex America to the Airport will be the greater of the Minimum Annual Guarantee (MAG) of \$4,127,500, subject to Consumer Price Index (CPI) annual adjustments, or a passenger-based fee equal to eighty-eight cents (\$0.88) multiplied by the total number of enplanements (the total number of passengers boarding airline carriers for international flights).

Attachment II, provided by the Airport, shows: (a) the total estimated annual rental revenues from the eleven foreign currency exchange locations to be paid by Travelex America to the Airport annually, and (b) the total estimated revenues of \$22,355,871 to be paid to the Airport over the five year lease term. As shown in Attachment II, these estimates are based on the Minimum Annual Guarantee and are adjusted upward using projected increases in the Consumer Price Index (CPI). Attachment II also lists the two firms currently holding leases for foreign currency exchange locations at the Airport and the Minimum Annual Guarantee paid by each lessee.

**Term of Lease:**

The proposed lease would commence on September 26, 2000. The lease would be for a five year period, terminating on September 25, 2005.

**Right of Renewal:**

The Airport would have sole discretion to grant two two-year extensions for the lease.

**Utilities and Janitorial  
Provided by Lessor:**

The Lessee pays for the costs of all utilities and janitorial services.

**Description:**

On September 21, 1999, the Airport Commission requested bids for a lease to operate currency exchange facilities at 11 different locations in the Airport, as identified in Attachment I. Subsequently, on December 21, 1999 the Airport Commission adopted a resolution awarding the

Memo to Finance and Labor Committee  
March 22, 2000 Finance and Labor Committee Meeting

lease to Travelex America, Inc, the highest responsive bidder (Resolution No. 99-0449). According to Mr. Bob Rhoades of the Airport, the Airport issued Invitations to Bid to 129 firms for the foreign currency exchanges at 11 locations in the Airport (See Attachment II). Attachment II also contains a list of all firms that submitted bids for this concession and the Minimum Annual Guarantees of each bidder. According to Mr. Rhoades, all firms submitting bids agreed to pay the greater of the Minimum Annual Guarantee of \$4,127,500 or the \$0.88 per passenger fee, as outlined in the proposed lease. However these firms were not required to include in their bids revenue projections based on this passenger fee.

**Tenant Improvements:**

Travelex America would be required to invest a minimum of \$184,200 in improvements to the subject lease space. This minimum investment amount of \$184,200 is based on \$200 a square foot for 921 square feet to be used for currency exchange facilities (out of the total 1,229 square feet covered by the subject lease). The minimum investment does not apply to the remaining 308 square feet designated for office space. According to Mr. Rhoades, these improvements include constructing the foreign currency exchange facilities, providing trade fixtures and hanging signs. Mr. Rhoades advises that the Airport requires a minimum of \$200 a square foot in improvements to ensure that Travelex America constructs currency exchange facilities consistent with the design, materials and quality of existing Domestic Terminals and the new International Terminal.

**Comments:**

1. Mr. Rhoades anticipates that all 11 foreign currency exchange facilities will be completed by August 15, 2000. Mr. Rhoades advises that the Airport's new International Terminal is now scheduled to open September 26, 2000, or three months later than the previously estimated opening date of June 26, 2000, in order to allow the Airport time to test the new facilities.

Memo to Finance and Labor Committee

March 22, 2000 Finance and Labor Committee Meeting

2. Item No. 4, File 00-0235 of this report to the Finance and Labor Committee, pertains to two additional proposed Airport leases to Travelex America to provide automated teller machines (ATMs) in the Airport's new International Terminal.

**Recommendation:**

Approve the proposed resolution.

**EXHIBIT A  
PREMISES**

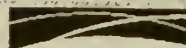
<b>FOREIGN CURRENCY EXCHANGE LEASE LOCATIONS</b>	
<b>TERMINAL</b>	<b>LOCATION</b>
New International Terminal Pre-Security	<b>I.3.003F-</b> Great Hall North ticket island facing north across from food court. Approximately 69 square foot area.
New International Terminal Pre-Security	<b>I.3.014E-</b> Great Hall South ticket island facing south across from food court. Approximately 67 square foot area.
New International Terminal Pre-Security & Office space	<b>I.3.084D-</b> North Shoulder Building next to restrooms, hair salon and Discretionary Store. Approximately 150 square foot area. <b>I.3.084.E-</b> Office space located behind foreign currency retail space I.3.084D. Approximately 308 square foot area.
New International Terminal Boarding Area A Post-Security	<b>A.3.023-</b> Mid-Terminal next to food cluster across from phones. Approximately 138 square foot area.
New International Terminal Boarding Area G Two Locations Post-Security	(1) <b>G.3.004K-</b> Next to large duty free shop and restaurant/bar before people mover. Approximately 213 square foot area. (2) <u>One</u> (1) Mobile Cart Location. * (not shown)
New International Terminal Arrivals Post-Security	<b>I.2.024B-</b> Southwest lobby area, behind Lodging Transportation and Attraction board across from escalators to Great Hall approximately 134 square foot area. <i>Space for <u>one</u> Automated Foreign Currency Exchange Machine at this location</i>
New International Terminal Arrivals	<b>I.2.007C-</b> Northwest lobby area, behind Lodging Transportation and Attraction board across from escalators to Great Hall approximately 150 square foot area. <i>Space for <u>one</u> Automated Foreign Currency Exchange Machine at this location.</i>
Domestic Terminals	Approximately Two (2) Mobile Cart Locations. * (not shown)

(See attached drawings)

TOTAL: 10 Locations (Approximately 921 sq. ft.) and 1 Office (Approximately 308 sq. ft.)

- \* All mobile cart locations shall be as designated by the Airport from time to time.





San Francisco International Airport

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**AIRPORT COMMISSION  
SAN FRANCISCO INTERNATIONAL AIRPORT  
CITY AND COUNTY OF SAN FRANCISCO**

**MEMORANDUM**

**TO:** Emulic Neumann  
Budget Analyst's Office  
**DATE:** February 24, 2000

**FROM:** Jon Ballesteros

**SUBJECT:** File #000236 – Airport Foreign Currency Exchange Lease

Below please find the background information you requested regarding the Resolution before the Board of Supervisors approving the Airport's Foreign Currency Lease.

**REVENUE ESTIMATES**

The Foreign Currency Exchange rent terms are the greater of the Minimum Annual Guarantee or the Passenger-Based Fee. The first year MAG for Traveler America, Inc. is \$4,127,500. The Passenger-Based is equal to \$0.88 multiplied by total number of International Passengers Enplaned on International flights per year.

Below are the projected International Passengers Enplaned and projected annual fees for the next five years and the total projected Passenger Based Fee Revenue:

Year	Projected Enplaned Passengers In Millions	X \$0.88 Fee	Projected Annual Passenger-Based Fees
2001	3.7		\$3,256,000
2002	4.0		\$3,520,000
2003	4.3		\$3,784,000
2004	4.7		\$4,136,000
2005	5.0		\$4,400,000
TOTAL PROJECTED FEE REVENUE			\$19,096,000

Emilie Neumann  
February 24, 2000  
Page 2

Below are the projected annual MAG rents with CPI adjustments and the total Revenue from projected MAG rents:

Year Adjusted	Current MAG	Projected CPI	Projected Adjustment	Projected New MAG after CPI adjustment
2001	\$4,127,500	4.0%	\$163,100	\$4,292,600
2002	\$4,292,600	4.0%	\$171,704	\$4,464,304
2003	\$4,464,304	4.0%	\$178,572	\$4,642,876
2004	\$4,628,876	4.0%	\$185,715	\$4,828,591
TOTAL PROJECTED MAG REVENUE				\$22,355,871

Due to the initial MAG offering of \$4,127,500 and subsequent annual CPI adjustments the Passenger-Based Fee is not expected to become greater than the current MAG.

#### CURRENT FOREIGN CURRENCY EXCHANGE LEASES

There are two companies that currently hold leases with the Airport for currency exchange: Bank of America and Teletrip.

Bank of America Lease L86-0039 from 1987 is currently month to month with two foreign currency locations in the International Terminal (one branch pre-security and a satellite office post security in departures) and a MAG of \$214,160.

Teletrip Lease L93-0060 from 1993 is currently month to month with five locations (three in the International Terminal, one office pre-security, one satellite in arrivals, one cart post security and two carts located in the North Terminal with a current MAG of \$856,622.

In 1993, Travelex partnered with Mutual of Omaha Insurance to take over management of the Foreign Currency branches in the U.S. (The Airport foreign currency division of Mutual of Omaha is known as "Tele-Trip"). In 1999 Travelex purchased Tele-Trip, Travelex will continue to manage the current leases signed under Tele-Trip until the leases have expired.

It is anticipated that both leases will terminate with the closing of the existing International Terminal on September 25, 2000.

Emilie Neumann  
February 24, 2000  
Page 3

### **BIDDING PROCESS**

The Airport offered Invitations to Bid for the currency exchange facility lease to 129 firms.

The following companies that submitted bids for this concession:

- American Express tendered a non-responsive bid of \$1,000,000.
- ICE Currency Services USA tendered a bid of \$3,251,878.
- Travelex America Inc. tendered the highest apparent responsive bid of \$4,127,500.

Memo to Finance and Labor Committee  
March 22, 2000 Finance and Labor Committee Meeting

Item 3 - File 00-0318

**Note:** This item was continued by the Finance and Labor Committee at its meeting of March 8, 2000.

**Department:** Airport

**Item:** Resolution approving the New International Fine Dining Restaurant Lease between GQC Holdings, Inc., a certified Disadvantaged Business Enterprise, and the City and County of San Francisco, acting by and through its Airport Commission.

**Location:** New International Terminal of the Airport

**Purpose of Lease:** The proposed lease would provide approximately 6,715 square feet of space to operate one fine dining restaurant at one location.

**Lessor:** City and County of San Francisco, acting by and through its Airport Commission.

**Lessee:** GQC Holdings, a California corporation

**No. of Sq. Ft. and  
Monthly Rental Revenues  
Payable by GQC Holdings  
to the Airport:**

Approximately 6,715 square feet to operate a restaurant at one location in the Airport's New International Terminal. The total rental revenues to be paid by GQC Holdings, Inc. to the Airport based on the Minimum Annual Guarantee would be approximately \$1.67 per square foot per month, or \$11,192 per month (\$134,300 annually). According to Mr. Bob Rhoades of the Airport, the Minimum Annual Guarantee of \$1.67 per square foot per month is less than the rent per square foot of other concession leases, due to the high costs of operating a fine dining restaurant and the large number of square feet (6,715) covered by the subject lease.

**Annual Rental Revenues  
Payable by GQC Holdings  
to the Airport:**

The proposed lease would require GQC Holdings, Inc. to pay to the Airport the greater of a Minimum Annual Guarantee (MAG) of \$134,300 for each year of the ten year and four month lease term, or a percentage of gross revenues realized by GQC Holdings. According to the lease, the annual percentage of gross revenues is 4% for the first

Memo to Finance and Labor Committee  
\_\_\_\_\_, 2000 Finance and Labor Committee Meeting

\$1,000,000 and 6% for all gross revenues in excess of \$1,000,000. The subject lease also provides for annual increases in the Minimum Annual Guarantee based on increases in the Consumer Price Index (CPI).

According to Mr. Rhoades, the Airport estimates that for the first year of the proposed lease, the percentage of gross revenues realized by CQG Holdings, as detailed above, will exceed the Minimum Annual Guarantee of \$134,300 by \$109,700. The Airport would thus receive for the first year of the lease an estimated percentage rent of \$244,000 based on GQC Holdings' estimated annual gross receipts of \$4,400,000.

According to Mr. Rhoades, the Airport established the amount of the Minimum Annual Guarantee and the percent of gross revenues to be paid to the Airport for the fine dining lease, and that all firms submitting proposals were required to meet those conditions. Mr. Rhoades advises that the Minimum Annual Guarantee of \$134,300 and the percent gross revenues of 4% for the first \$1,000,000 and 6% for all gross revenues in excess of \$1,000,000 therefore applied to all firms that submitted proposals to the Airport for the fine dining lease. According to Mr. Rhoades, the firms submitting proposals were not required to submit gross revenue projections.

**Term of Lease:** The proposed lease would commence on September 26, 2000. The lease would be for a ten year, four month period, terminating on January 25, 2011.

**Right of Renewal:** None

**Utilities and Janitor  
Provided by Lessor:** The Lessee pays for the costs of all utilities and janitorial services.

**Description:** On September 21, 1999, the Airport Commission adopted a resolution awarding the New International Terminal Fine Dining Restaurant Lease to GQC Holdings, Inc. (Resolution No. 99-0465). The fine dining lease was one of 16 leases the Airport awarded to San Francisco and Bay Area firms to operate food and beverage facilities in the new International Terminal.



According to Mr. Rhoades, in 1998 the Airport selected the firm Pacific Gateway Partnership, through a formal Request for Qualifications/Proposals process, to conduct an outreach program for selecting food and beverage operations. As outlined in Attachment I, provided by Mr. Rhoades, Pacific Gateway Partnership sent invitations to participate to more than 600 interested parties in February of 1999. After a process of narrowing down the pool of applicants, as described in Attachment I, in September of 1999, an Airport-approved committee chose 16 firms for food and beverage leases in the new International Terminal. According to Mr. Rhoades, each firm was required to: (1) have owned/managed food and beverage businesses for at least 3 of the last 5 years, and (2) guarantee annual gross revenues of at least \$1,000,000. Mr. Rhoades advises that the selection committee also based their decision on the quality and look of each food and beverage company, requiring detailed proposals from applicants and making site visits to evaluate food, service, kitchens, and general environment.

Attachment I, provided by the Airport, outlines the process for choosing both the selection committee and the firms to be awarded food and beverage leases. According to Mr. Rhoades, two firms in addition to GQC Holdings submitted full proposals for the fine dining lease, Chevy's Restaurant and California Grill. Attachment I explains why the committee chose GQC Holdings for the fine dining lease. Attachment II lists the members of the selection committee.

Under the terms of the subject lease, GQC Holdings will operate a high-quality restaurant, serving quality food and beverages and including a full bar. According to Mr. Rhoades, this is the first time the Airport has offered a lease for high-end fine dining.

**Tenant**

**Improvements:**

GQC Holdings would be required to invest a minimum of \$250 per square foot in improvements to the subject lease space, or a total of \$1,678,750 for the 6,715 square feet covered by the subject lease.



**Comment:**

According to Mr. Rhoades, the restaurant will be completed by the scheduled opening date for the Airport's new International Terminal of September 26, 2000. Mr. Rhoades advises that the September 26, 2000 opening date, three months later than the previously estimated opening date of June 26, 2000, will allow the Airport time to test the new facilities.

**Recommendation:**

Approve the proposed resolution.

## NEW INTERNATIONAL TERMINAL COMPLEX FOOD AND BEVERAGE OPERATOR SELECTION PROCESS

Mid – 1998	Airport issued RFQ/RFP to select firm to conduct outreach program to identify food/beverage operators.
Dec., 1998	After Airport panel review, Airport Commission approved selection of Pacific Gateway Partnership (“PGP”) to conduct outreach.
Jan. – Feb., 1999	Extensive outreach conducted by PGP, including meetings in San Francisco and on Peninsula.
Feb. 1999	Phase I of process involved the transmittal of over 600 questionnaires to interested parties.
March 1999	255 respondents to Phase I
Mar. – April, 1999	Airport approved selection panel (attached) screened Phase I respondents, including site visits, and selected 110 respondents as being qualified for Phase II.
June, 1999	57 submissions were received under Phase II which were evaluated by selection panel.
Sept. 1999	Airport Commission, based upon recommendation of Selection Panel and Review by the Airport Director, awarded food/beverage leases to 16 San Francisco and Bay Area firms, 15 of which are minority or woman-owned businesses (DBEs). The Fine Dining Lease was awarded to GQC Holding, Inc.

GQC Holding, Inc. is a San Francisco based, minority-owned firm that has demonstrated exceptional ability to develop and operate fine dining facilities. Shanghai 1930 and Betelnut are two examples of the type of facilities that the firm operates in San Francisco.

# PACIFIC GATEWAY PARTNERSHIP

## Selection Committee Members

Pacific Gateway Partnership

**Victor Escobedo** has extensive experience as a restaurant manager and owner. He recently opened Papalote Mexican Grill in San Francisco, and his family owns and operates the Cella's and Fernando's Restaurants throughout the Bay Area.

**Michael Fang** has been in the tourist photography business since 1981 with the Red & White Fleet. He is owner of Crabcakes & Sweets, a small fast-food seafood restaurant located at Pier 39.

San Francisco Airport Commission

**Grant Mickins** served as Director of the San Francisco Human Rights Commission from 1975-88. Previously, he has been President of SEIU, Local 400, Deputy Director of the Mayor's Criminal Justice Council, and President of the San Francisco Civil Service Commission. Mr. Mickins currently serves as an Independent consultant.

P.O. Box 8097

**Patrick Quek** is President and CEO of Hospitality Asset Advisors International and PKF Consulting. He is a recognized authority on the Asia/Pacific hotel market. Mr. Quek is active in numerous civic and industry committees locally and nationally.

San Francisco International Airport

**Cleopatra Vaughns, RN**, is the Chairman of the Board of the San Francisco Convention & Visitors Bureau. She is the manager of Community Relations for Blue Shield of California. Ms. Vaughns is the National President of the National Association of Negro Business & Professional Women's Clubs, Inc.

San Francisco, CA 94128

**Alicia Wang** is first Vice-Chair of the California Democratic Party, a member of the Democratic National Committee, and a member of the Association of State Democratic Chairs. She is a faculty member at San Francisco City College.

Telephone (415) 774-4517

**Robert Wilhelm** is a recently retired executive of Westin Hotels and Resorts, where he was Managing Director of the Westin St. Francis Hotel on Union Square. He has been Chairman of the Board for the San Francisco Convention & Visitors Bureau and Director of the San Francisco Chamber of Commerce. He currently works with Lombard Holdings, Inc.

telex (415) 761-0425

**John Yee** is Senior Vice President and Chief Financial Officer of the San Francisco Giants. He played an integral role in structuring the private financing for the new Pacific Bell Park. Previously, Mr. Yee served as Vice President of Finance and Administration for the San Francisco Convention & Visitors Bureau.

Items 4 and 5 - Files 00-0379 and 00-0380

**Department:** Department of Human Resources (HRD)  
Superior Court

**Item:** Ordinances (a) implementing the provisions of the Memorandum of Understanding between the Superior Court and the Municipal Executives Association (File 00-0379) and (b) setting the rates of compensation and other economic benefits for certain management classifications of persons employed by the Superior (File 00-0380).

**Description:** **File 00-0379** The proposed ordinance would implement the provisions of a Memorandum of Understanding (MOU) between the San Francisco Superior Court and the Municipal Executives Association (MEA) for a 24-month period, from October 1, 1999 through September 20, 2001. As such, the proposed ordinance should be amended to provide for retroactivity.

The subject MOU covers 14 classifications, representing 51 positions, as follows:

<u>Classifications</u>	<u>Current No. of Positions</u>
0555 Chief Executive Officer	1
0584 Assistant Executive Officer	1
0585 Manager, Budget & Administration	1
0588 Court Coordinator	19
0590 Senior Court Assistant	3
0620 Court Commissioner	11
0622 Deputy Jury Commissioner	1
0634 Manager, Court Operations	3
0636 Division Chief	6
0640 Director, Family Court Services	1
0646 Director, Probate	1
0647 Assistant Director, Probate	1
0657 Mental Health Coordinator	1
0677 Judicial Secretary Coordinator	<u>1</u>
<i>Total</i>	51

The new fiscal provisions of the proposed MOU are summarized as follows:

Wage Increases

The above classifications, except 0620 Court Commissioner, would receive a 3.75 percent salary increase, retroactive to October 1, 1999. The parties have agreed to meet and confer prior to October 1, 2000, to set the wage increase for the second year of the MOU. The wage increase for October 1, 2000, would be subject to separate legislative approval by the Board of Supervisors.

Pay Bonus

MEA employees, except 0620 Court Commissioner, who were employed by the Superior Court on October 1, 1999, would receive a one-time only bonus equal to 1 percent of wages, exclusive of overtime, bonus or specialty pay, earned between July 1, 1998 and June 30, 1999 for all 51 positions. According to Ms. Cheryl Martin of the Superior Court, the Superior Court has proposed the implementation of a pay-for-performance program but has not yet formulated a plan for such a program. Therefore, Ms. Martin states that the proposed 1 percent bonus is in lieu of a pay-for-performance program. Ms. Martin states that in the prior MOU, a similar provision provided a one-time bonus in FY 1998-1999 of 1.5 percent.

The proposed 1 percent bonus differs from the City's pay-for-performance program for management classifications, in that the City's pay-for-performance program provides bonuses which range from negative one percent (which would adjust the subsequent year's wage increase downward) to 3 percent to selected covered employees, based on the employee's performance rating; whereas the Superior Court's proposed 1 percent bonus would be paid to all covered employees, regardless of performance.

Health Care Benefits

For the period from October 1, 1999 through September 30, 2001, the Superior Court would contribute the greater of either (a) \$245 per month or (b) the monthly rate paid for an employee who selects Kaiser coverage at the rate of the employee plus two dependents, toward the employee's participation in the Management Compensation Package.



The Management Compensation Package includes dependent health care insurance, disability insurance, term life insurance and accident insurance. The proposed contribution is an increase of \$20 per month per employee from the former contribution of \$225 per month.

Retirement Contribution

For the period from October 1, 1999 through September 30, 2001, the Superior Court would continue to pay the employees' share of retirement contributions to the Employees Retirement System (ERS) in the following percentages:

- 8 percent of salary for ERS Tier 1 members (employees hired prior to November of 1976, and
- 7.5 percent of salary for ERS Tier II members (employees hired after November of 1976).

These contribution rates paid by the City are the same contribution rates paid in the prior MOU and any cost increases only result from the increased salary rates included in the MOU.

**File 00-0380** The proposed ordinance would set the rates of compensation and other economic benefits for certain unrepresented management classifications in the San Francisco Superior Court. According to Ms. Martin, the Superior Court provides to the unrepresented managers equivalent increases in salaries and benefits as received by those managers covered by the MOU with the MEA (File 00-0379). The subject ordinance is for the following 16 classifications, covering 26 positions.

<u>Classifications</u>	<u>Current No. of Positions</u>
0210 Clerk Administrator	1
0215 Bail Commissioner	1
0220 Chief Deputy	2
0221 Executive Assistant	1
0222 Training Officer	1
0225 Calendar Coordinator	1
0230 Division Chief	3
0240 Court Program Analyst Manager	1
0242 Court Computer System Director	1



Memo to Finance and Labor Committee  
March 22, 2000 Finance and Labor Committee Meeting

<u>Classifications</u>	<u>Current No. of Positions</u>
0255 Court Commissioner	3
0270 Assistant Division Chief	5
0271 Drug Court Coordinator	2
0275 Assistant Fiscal Officer	1
0583 Assistant Clerk of the Court	1
0595 Fiscal Systems & Services Coordinator	1
0650 Traffic Hearing Officer	1
<i>Total</i>	26

The major fiscal provisions of the proposed ordinance would apply to all employee classifications, except classes 215 Bail Commissioner and 255 Court Commissioner. The subject classifications would receive the same 3.75 percent wage increase effective October 1, 1999, 1 percent pay bonus, health care benefits, and retirement contributions as the management employees covered by the proposed MOU with the MEA (File 00-0379). Any pay increase on October 1, 2000 would be subject to separate Board of Supervisors approval. Additionally, employees in the above classifications, except classes 215 Bail Commissioner and 255 Court Commissioner, who have completed five years of experience at the maximum salary rate for their classifications, will be credited with one additional floating holiday, from four to five floating holidays, to be used under the same restrictions as other floating holidays<sup>1</sup>, consistent with other City Departments.

**Comments:**

1. The Controller estimates that the proposed MOU with the MEA (File 00-0379) and the proposed rates for unrepresented managers (File 00-0380) will result in estimated incremental costs of \$195,000 in FY 1999-2000 and \$48,000 for the first three months of FY 2000-2001. The Controller's Office advises that, of these incremental costs, \$186,600 would be State costs and \$8,400 would be General Fund costs in FY 1999-2000 and \$45,900 would be State costs and \$2,100 would be General Fund costs in FY 2000-2001. The Budget Analyst concurs with these cost estimates. A copy of the Controller's cost estimate is attached to this report.

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<sup>1</sup> Currently, both unrepresented managers and managers covered by the MOU with MEA receive four floating holidays each year. These floating holidays must be used prior to the end of each fiscal year and cannot be carried over to the next fiscal year.

2. California Government Code Section 69900 requires that the salary rates for Court employees be set by joint action of the Judges of the Court and the Board of Supervisors. According to Ms. Martin, the Judges have approved the proposed MOU with the MEA (File 00-0379) and the proposed salary rate increases and other economic benefits for the unrepresented management classifications (File 00-0380). The proposed subject MOU with the MEA and the proposed ordinance setting economic benefits for unrepresented management classifications are subject to Board of Supervisors approval.

3. The proposed ordinances (Files 00-0379 and 00-0380) would be effective on October 1, 1999. Therefore, the proposed ordinances should be amended to provide for salary rate increases, retroactive to October 1, 1999.

4. Ms. Martin states that classifications 0620 Superior Court Commissioner, 0215 Bail Commissioner, and 0255 Municipal Court Commissioner would not receive a wage increase under the proposed ordinances. These positions, which are tied to those of the Superior Court Judges, received a salary increase, effective July 1, 1999, at the time that the Superior Court Judges received a salary increase. The resulting salary increase for these classifications was 2.5 percent for FY 1999-2000, according to Ms. Martin.

**Recommendations:**

1. Amend the proposed ordinances to provide for retroactivity, as noted in Comment No. 3.
2. Approval of the proposed ordinances, as amended, is a policy matter for the Board of Supervisors.



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington  
Controller

March 16, 2000

Ms. Gloria L. Young, Clerk of the Board  
Board of Supervisors  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

RE: Ordinances establishing compensation for Trial Court employees  
File Nos. 00-0379, and 00-380

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of ordinances fixing compensation for certain classifications of Trial Court employees. The ordinances cover the period October 1, 1999 through September 30, 2001, and affect approximately 77 permanent employees.

The ordinances will result in incremental costs of approximately \$195,000 in FY 1999-2000, and \$48,000 in FY 2000-2001 for the first three months of the fiscal year only. The ordinances contain a provision for a wage re-opener in FY 2000-2001, therefore the full cost of wage increases for the fiscal years covered by the period from October 1, 2000 through September 30, 2001 is not known at this time.

The majority of the cost of salaries and benefits for the employees covered under these ordinances are budgeted through the Trial Courts Agency Fund and paid for by the State of California. However, of the above amounts, approximately \$8,400 in FY 1999-2000 and \$2,100 in FY 2000-2001 are budgeted through the city's General Fund. Sufficient funds for this purpose have already been appropriated to the Trial Courts' General Fund budget for FY 1999-2000. If you have any additional questions or concerns please contact me at 554-7500 or Peg Stevenson of my staff at 554-7522.

Sincerely,

*Peg Stevenson*  
Edward M. Harrington  
Controller

cc: Alice Villagomez, ERD  
Harvey Rose, Budget Analyst

Memo to Finance and Labor Committee  
March 22, 2000 Finance and Labor Committee Meeting

Item 6 - File 00-0381

- Department:** Department of Human Resources (HRD)  
Superior Court
- Item:** Ordinance setting the rate of compensation for Superior Court classification 0256 Pro Tem Commissioner, employed on an "as needed" basis by the Superior Court.
- Description:** The proposed ordinance would set the level of compensation for one classification, the 0256 Pro Tem Commissioner, effective retroactively to November 16, 1999. The proposed salary rate increase would be in effect from November 16, 1999, through June 30, 2001. Incumbents in this classification are employed on a daily basis to provide services in place of permanent Court Commissioners while permanent Court Commissioners are on vacation, unavailable because of official business, or medical absences. The Pro Tem Commissioners are assigned to hear moving and other traffic and parking infractions, conduct drivers' license suspension warrant protests, and hear small claims matters. The Superior Court uses less than two Pro Tem Commissioners each day, or an average of 1.5 FTE annually, to handle these matters
- The proposed ordinance would increase the hourly salary rate of the 0256 Pro Tem Commissioner from the current rate of \$26.61 per hour to the proposed rate of \$31.00 per hour, a 16.5 percent increase.
- Comments:** 1. According to Ms. Cheryl Martin of the Superior Court, prior to the Superior and Municipal Courts consolidation in December of 1998, Pro Tem Commissioners were paid at the lowest rate required by California Government Code for Municipal Court Commissioners. Ms. Martin states that the pay rate for Pro Tem Commissioners in December of 1998 was \$26.61 per hour. After December 31, 1998, when consolidation of the Superior Court and the Municipal Court became effective, the permanent full-time 0255 Municipal Court Commissioner and 0620 Superior Court Commissioner classifications had their pay rate set equal to one another, at 85 percent of Superior Court Judge pay, or \$46.15 per hour. According to Ms. Martin, the Superior Court Judges determined that the Pro Tem Commissioners

Memo to Finance and Labor Committee  
March 22, 2000 Finance and Labor Committee Meeting

should be paid at a lower rate of pay than the permanent full-time Municipal Court and Superior Court Commissioners. However, Ms. Martin states that because the Pro Tem Commissioners were not a separate classification at that time, a separate, lower pay rate could not be established. Therefore, the Pro Tem Commissioners received the prevailing rate of pay for the permanent full time Commissioners of \$46.15 per hour, pending the classification of a Pro Tem Commissioner position. On July 12, 1999, the Pro Tem Commissioners were moved into a new classification, 0256 Pro Tem Commissioner, and the salary rate was set at \$26.61 per hour, the hourly salary rate which had been in effect previously on December 31, 1998.

2. Ms. Martin states that on November 16, 1999, the Superior Court Judges approved an increase in the hourly rate of pay for 0256 Pro Tem Commissioners to \$31.00 per hour, a 16.5 percent increase over the prior rate of \$26.61 per hour. According to Ms. Martin, the proposed \$31.00 per hour salary rate is based on an internal rate comparison with Superior Court Clerk and Attorney positions. Ms. Martin states that Pro Tem Commissioners are attorneys, and fulfill the same functions as permanent full-time Commissioners on an as-needed basis.

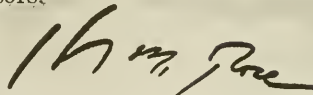
3. Ms Martin states that the proposed salary rate increase would be retroactive to November 16, 1999 and as such the proposed ordinance provides for ratification of actions previously taken. According to Ms. Martin, the proposed salary rate increase has not been implemented, pending Board of Supervisors' approval.

4. The Controller estimates that the proposed hourly salary rate increase from \$26.61 to \$31.00 will result in estimated incremental costs of \$7,900 in FY 1999-2000 and \$15,700 in FY 2000-2001. The Controller's Office advises that these incremental costs would be funded by the State and therefore, are not paid from the General Fund. The Budget Analyst concurs with the Controller's costs estimates. A copy of the Controller's cost estimate is attached to this report.



Memo to Finance and Labor Committee  
March 22, 2000 Finance and Labor Committee Meeting

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

A handwritten signature in black ink, appearing to read "H. M. Rose", is written over the recommendation text.

Harvey M. Rose

cc: Supervisor Yee  
Supervisor Bierman  
President Ammiano  
Supervisor Becerril  
Supervisor Brown  
Supervisor Katz  
Supervisor Kaufman  
Supervisor Leno  
Supervisor Newsom  
Supervisor Teng  
Supervisor Yaki  
Clerk of the Board  
Controller  
Legislative Analyst  
Erin McGrath  
Stephen Kawa  
Ted Lakey





CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington  
Controller

March 16, 2000

Ms. Gloria L. Young, Clerk of the Board  
Board of Supervisors  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

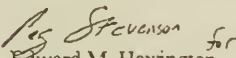
RE: Ordinances establishing compensation for Trial Court employees  
File No. 00-0381

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of an ordinance fixing compensation for Trial Court employees in class 0256 Pro Tem Commissioner. The ordinance covers the period October 1, 1999 through June 30, 2001, and affects employees used on an "as-needed" basis, approximately 1.5 full time equivalent positions per year.

The ordinance will result in incremental costs of approximately \$7,900 in FY 1999-2000, and \$15,700 in FY 2000-2001. The cost of salaries and benefits for the employees covered under this ordinance is budgeted through the Trial Courts Agency Fund and paid for by the State of California. There is no cost to the city's General Fund under this ordinance. If you have any additional questions or concerns please contact me at 554-7500 or Peg Stevenson of my staff at 554-7522.

Sincerely,

  
Edward M. Harrington  
Controller

cc: Alice Villagomez, ERD  
Harvey Rose, Budget Analyst



City and County of San Francisco  
Meeting Minutes  
Finance and Labor Committee

GOVERNMENT DOC SECTION  
Main Library

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

Wednesday, March 29, 2000

10:00 AM

City Hall, Room 263

**Regular Meeting**

**Members Present:** Leland Y. Yee, Tom Ammiano.

**Members Absent:** Sue Bierman.

Meeting Convened

*The meeting convened at 10:07 a.m.*

DOCUMENTS DEPT.

APR - 3 2000

SAN FRANCISCO  
PUBLIC LIBRARY

**REGULAR AGENDA**

**000418 [Civil Service Commission Certification of Prevailing Rate of Wages]**

Resolution fixing the highest general prevailing rate of wages, including wages for overtime and holiday work, for various crafts and kinds of labor as paid for similar work in private employment in the City and County of San Francisco at the rates certified to the Board by the Civil Service Commission on December 6, 1999. (Civil Service Commission)

3/7/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Geoffrey Rothman, Department of Human Resources.*

**RECOMMENDED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000425 [Renewal of a 5-year term lease at 653 Chenery Street for the Glen Park Branch Library at a monthly rent of \$1,875 for the initial term]**

Resolution authorizing lease of real property at 653 Chenery Street for the Glen Park Branch Library. (Real Estate Department)

3/8/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Tony DeLucchi, Real Estate Department. Opposed: Anastasia Yovanopoulos, Noe Tenants. Amended to make retroactive to February 1, 2000.*

**AMENDED.**

Resolution authorizing retroactive to February 1, 2000, lease of real property at 653 Chenery Street for the Glen Park Branch Library. (Real Estate Department)

**RECOMMENDED AS AMENDED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**992295 [Municipal Railway Reduced College Student Rate]**  
**Supervisors Newsom, Katz**

Hearing to consider the feasibility of offering a reduced student rate on the Municipal Railway for enrolled university students attending college within the City and County of San Francisco.

12/13/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office, Laura Spanjian, Municipal Railway (MUNI); Supervisor Yee; Supervisor Ammiano; Vicky Nguyen, University of San Francisco, Christine Gaddi, U.C. Berkeley; Robert Kuo, Finance, MUNI, Holly Hogan, S.F. City College; Anastasia Yovanopoulos, Heidi Machen, Supervisor Newsom's Aide.*

**CONTINUED TO CALL OF THE CHAIR by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

## **SPECIAL ORDER - 11:00 A.M.**

**000449 [San Francisco General Hospital Psychiatric Facilities]**  
**Supervisors Newsom, Teng, Leno, Ammiano**

Hearing to consider the proposal to close part of the psychiatric capacity at San Francisco General Hospital and future plans for serving dual diagnosis patients who suffer from substance abuse and psychiatric problems.

3/13/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in Committee. Speakers: Supervisor Yee, Supervisor Ammiano, Supervisor Newsom, Supervisor Leno; Dr. Mitchell Katz, Director of Health; Ken Bruce, Budget Analyst's Office, Anastasia Yovanopoulos, Fred Hobson; Lauri Hjelm, Nurse, SFGH Department of Psychiatry; John Nickens, PhD, Progress Foundation, James Murray, Nurse, SFGH Department of Psychiatry; Eve Meyer, S.F. Suicide Prevention, Eva del Campo, Nurse, SFGH Department of Psychiatry, Rev. Kate Jorgensen, Jennifer Friendbach, Coalition on Homelessness; Donna Wolfe, Psychiatric Nurse, Tenderloin Outpatient Clinic, Dr. Mark Leary, Deputy Chief, UCSF Psychiatry at SFGH, Delphine Brody; Dr. Kate Beyrer, Director, Psychiatric Emergency Services, SFGH; Chance Martin; Daniel Ip Chan, Asian Mental Health Task Force, Bonnie Schwartz, Program Director, Cross Currents Team, Community Focus Program, James LaPoint, Rebecca Hensler, HIV/AIDS Councilor, SFGH; Khalil Habeeb, Finance Director, Department of Psychiatry; Dr. Troy Kaji, St. Anthony's Medical Director; Mihy Trabing, Director, Psychiatry and Social Work, SFGH, Troy Williams, RN, Psychiatric Emergency Services, SFGH, Rosemary Daly, Bay Area Legal Assistance; Karen MacLeod, Jo Ellen Rodriguez, Psychiatrist, SFGH; David Fariello, Director, Citywide Case Management, Dr. Steve Walsh, Northern California Psychiatric Society, Lawrence Blow, Dr. Charles Ndlela, Psychiatrist, SFGH, Kim Valdez, Swords to Plowshares; Olivia Flores Bevineau; Mary Kate Connor, Terry Bowman, Norma Hotaling, SAGE Project; Darren Lewis, Louis Altman, John Grines, Assistant Director, Community Focus, Judith Stevenson, Bakers Place; Diane Hudson; George Williams; Gordon Pooler, Pre-Locational Community Advisory Board, Nancy Mauelli, Nurse, SFGH Department of Psychiatry, Raymond Van, Unit Clerk, Asian Focus; Shanan Coughlin, Coalition to Save Public Health; Francis Lu, M.D., Director, Cultural Competence and Diversity Program.*

**FILED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

## **ADJOURNMENT**

*The meeting adjourned at 1:07 p.m.*

Susan Hom

Government Documents Section  
Main Library

10.254  
3  
/29/00  
CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

March 23, 2000

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: March 29, 2000 Finance and Labor Committee Meeting

DOCUMENTS DEPT

Item 1 - File 00-0418

MAR 28 2000

SAN FRANCISCO  
PUBLIC LIBRARY

Departments: Civil Service Commission  
Department of Human Resources (DHR)

Item: Resolution fixing the highest general prevailing rate of wages, including wages for overtime and holiday work, for various crafts and kinds of labor as paid for similar work in private employment in the City and County of San Francisco at the rates certified to the Board of Supervisors by the Civil Service Commission on December 6, 1999.

Description: Charter Section 7.204 requires that City contracts for public works or improvements involving construction or fabrication provide for the payment of the highest general prevailing wage rates<sup>1</sup> to all persons performing the labor under such contracts. Section 6.37 of the City's Administrative Code requires that the Board of Supervisors, at least

<sup>1</sup> A prevailing rate of wage is the rate of compensation being paid to a majority of workers engaged in specified category of craft or labor.



once during each calendar year, fix and determine these highest general prevailing rate of wages paid in private employment, in accordance with Charter Section 7.204, including rates of wages for overtime and holiday work. The proposed resolution would establish these highest general prevailing rates of wages which private employers are required to pay various workers performing labor under such City contracts. The Attachment, provided by Mr. Geoff Rothman of the Department of Human Resources, contains a list of all such workers.

In accordance with Section 6.37 of the City's Administrative Code, to assist the Board of Supervisors in determining these wage rates, the Civil Service Commission is required to furnish to the Board of Supervisors, on or before the first Monday in November of each year, data as to the highest general prevailing rates of wages as paid by private employers to various craft and other workers in San Francisco. Section 6.37 also states that the Board of Supervisors is not limited to the data submitted by the Civil Service Commission in determining the prevailing wage rates, but may consider other information on the subject as the Board of Supervisors deems proper.

In March of 1989, the Board of Supervisors amended the City's Administrative Code to include the operation of a public off-street parking lot or garage under the term "public work or improvements, as defined in Section 6.37 in order to provide prevailing wages to private Garage Attendants in City-owned garages. In addition, in May of 1999, the Board of Supervisors further amended the City's Administrative Code to require that persons performing janitorial services under contract to the City be paid not less than the general prevailing rate of wages in private employment for similar work.

The Civil Service Commission has provided the Board of Supervisors with the following data for determining the highest general prevailing rate of wages: (a) the General Prevailing Wage





Determination Survey conducted by the Director of Industrial Relations of the State of California for all craft workers, except Garage Attendants and Janitorial Service Workers, (b) the existing agreement, in effect through November 30, 2000, between Parking Employers and Teamsters Automotive Employees, Local 665 for Garage Attendants and (c) the tentative agreement effective August 1, 1999 through July 31, 2003, between San Francisco Maintenance contractors Association and the Service Employees International Union (SEIU), Building Service Employees Local 87 for Janitors and Custodians.

**Comments:**

1. A copy of the data submitted to the Board of Supervisors by the Civil Service Commission on December 6, 1999, as to the highest general prevailing rate of wages paid by private employers to various craft workers in San Francisco is on file with the Clerk of the Board of Supervisors. According to the current five-year agreement for the period from December 1, 1995 through November 30, 2000, the highest hourly rate for Garage Attendants was \$14.50 per hour as of December 1, 1999. According to the tentative four-year agreement for the period August 1, 1999 through July 31, 2003, the highest hourly rate for Janitors and Custodians is \$14.45 per hour, as of August 1, 1999.

2. As discussed above, the Civil Service Commission is required to furnish data to the Board of Supervisors as to the highest general prevailing rate of wages as paid by private employers to various craft and other workers in San Francisco, as identified in the Attachment. This data is to be forwarded to the Board of Supervisors on or before the first Monday in November of each year, or by November 1, 1999 of this past year. However, the Budget Analyst notes that the Civil Service Commission did not certify and forward such data to the Board of Supervisors until December 6, 1999. Mr. Rothman reports that this delay was because the Civil Service Commission was awaiting a final janitorial



contract, which was extended due to a threatened strike by Janitors in the City.

3. The proposed resolution states on the first page, on line 9, that Administrative Code Section 6.22 requires the Board of Supervisors to fix the highest general prevailing rate of wages, including wages paid for holiday and overtime work. However, as discussed above, it is Administrative Code Section 6.37, not Section 6.22, which establishes this provision. The proposed resolution should therefore be amended to state that it is Section 6.37, rather than Section 6.22.

4. In response to the Budget Analyst's request for fiscal impact data of the proposed legislation, Mr. Rothman reports that neither the Civil Service Commission nor the Department of Human Resources has conducted a specific fiscal analysis of fixing the highest general prevailing rate of wages for craft workers, Garage Attendants and Janitors. However, Mr. Rothman advises, if the proposed resolution is approved, it will require all construction and maintenance contractors and parking lot management companies that do work for the City to pay the highest general prevailing rate of wages for such Craft Workers, Janitors and Garage Attendants, which may ultimately result in higher total costs (or lower revenues from the parking garages) to the City. The actual costs to the City, however, will be determined by the individual bids or proposals submitted for each such City contract. Mr. Rothman further advises that neither the Civil Service Commission (CSC) nor the Department of Human Resources (DHR) has the ability to determine such costs, since the CSC and DHR are not involved in the awarding, costing or tracking of such contracts.

5. Ms. Peg Stevenson of the Controller's Office reports that the Controller's Office cannot estimate the fiscal impact of the proposed resolution because their Office would need to do further research and analysis of contracts to determine such impacts.



6. The Budget Analyst advises that the proposed rate of \$14.45 per hour for private contract Janitorial workers is between \$0.65 to \$3.84 per hour less, when compared to the City's current rate of \$15.10 per hour at the first step to \$18.29 per hour at the top step for a 2708 City Custodian position. Therefore, the Budget Analyst notes that, even with the proposed highest general prevailing rate of wages for private janitorial staff, it is likely to still be less costly to continue to contract out existing janitorial services contracts.

**Recommendations:**

1. In accordance with Comment No. 3 above, amend line 9 on the first page of the proposed resolution to replace Administrative Code Section 6.22 with Section 6.37 to reference the correct section.

2. Given that the Department of Human Resources is not able to provide the fiscal impact of the proposed legislation, approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.





## WORKERS COVERED BY THE PREVAILING WAGE LEGISLATION

Janitors	Operating Engineer
Parking Garage Attendants	Parking and Highway Improvement Painter (Laborer)
Boilermaker-Blacksmith	Teamster
Iron Worker	Tunnel (Operating Engineer)
Electrical Utility Lineman	Asbestos Worker, Heat and Frost Insulator
Telephone Installation Worker	Asbestos Removal Worker (Laborer)
Boilermaker-Blacksmith (for storage tank erection and repair)	Carpenter
Sewer Maintenance	Cement Mason
Tree Trimmer (Line Clearance)	Dredger (Operating Engineer)
Stator Rewinder	Drywall Installer (Carpenter)
Electrical Utility Lineman	Elevator Constructor
Asbestos Worker, Heat and Frost Insulator	Fence Constructor (Carpenter)
Asbestos Removal Worker (Laborer)	Laborer
Building Inspector (Operating Engineer)	Laborer Trainee (Landscape Construction)
Boilermaker (for Pipelines)	Landscape Maintenance Laborer
Carpenter	Light Fixture Maintenance
Cranes, Pile Driver and Hoisting Equipment (Operating Engineer)	Traffic Control/Lane Closure (Laborer)
Cement Mason	Operating Engineer (Heavy and Highway Work)
Dredger (Operating Engineer)	Operating Engineer (Building Construction)
Drywall Installer (Carpenter)	Operating Engineer (Landscape Construction)
Elevator Constructor	Parking and Highway Improvement Painter (Laborer)
Fence Builder (Carpenter)	Parking and Highway Improvement Painter
Fence Constructor (Laborer)	Pile Driver (Carpenter) Pile Driver (Operating Engineer -Heavy and Highway Work)
Fire Safety and Miscellaneous Sealing	Pile Driver (Operating Engineer -Building Construction)
Gunitite Worker (Laborer)	Slurry Seal Worker
Housemover (Laborer)	Steel, Tank and Machinery Erection (Operating Engineer - Heavy and Highway Work)
Laborer	Steel, Tank and Machinery Erection (Operating Engineer - Building Construction)
Landfill Worker (Operating Engineer)	Teamster
Landscape Irrigation Laborer	Tunnel Worker (Laborer)
Landscape Maintenance Laborer	TunnelfUnderground (Operating Engineer)
Landscape Operating Engineer	
Light Fixture Maintenance	
Light Fixture Maintenance	
Operating Engineer	
Parking and Highway Improvement Painter (Laborer)	
Slurry Seal Worker	
Teamster	
Tunnel Worker (Laborer)	
Tunnel (Operating Engineer)	
Carpenter	
Cement Mason	
Cranes, Pile Driving and Hoisting Equipment (Operating Engineer)	
Drywall Installer (Carpenter)	
Laborer	



Memo to Finance and Labor Committee  
March 29, 2000 Finance and Labor Committee Meeting

Item 2 - File 00-0425

**Department:** Public Library  
Department of Real Estate (DRE)

**Item:** Resolution authorizing a renewal lease of real property at 653 Chenery Street for the Glen Park Branch Library.

**Location:** 653 Chenery Street

**Purpose of Lease:** Space for the Glen Park Branch Library

**Lessor:** Valborg C. Tietz, Trustee, Udt

**Lessee:** City and County of San Francisco

**No. of Sq. Ft. and Cost Per Month:** Approximately 1,500 square feet at \$1.25 per square foot per month, for a total of \$1,875 per month (\$22,500 annually). Ms. Claudine Venegas of the Department of Real Estate advises that the proposed \$1,875 rent per month is a flat rate, which will not increase during the five year lease term or be subject to any cost of living adjustments.

**Annual Cost:** \$22,500 per year, for five years.

**Increase (Decrease) in Cost:** Ms. Venegas reports that since July 1, 1993 the monthly rent for the approximate 1,500 square feet has remained the same, with no increases, at \$1,364 per month (\$0.91 per square foot per month, or \$16,368 per year). Under the proposed lease, rent would increase by \$511 per month, from the previous rent of \$1,364 to \$1,875 per month (\$22,500 annually), representing a 37.5 percent increase.

**Term of Lease:** Five years, commencing retroactively to February 1, 2000 and terminating on January 31, 2005 (See Comment No. 2).

**Right of Renewal:** The City would have the option to extend the lease for one additional five-year period, at the fair market rent to be determined by both the lessor and the City.



**Utilities and Janitor  
Provided by Lessor:**

The City would be responsible for all utility and janitorial costs.

**Description:**

The proposed resolution would approve a five-year renewal lease to provide approximately 1,500 square feet of space for the Glen Park Branch Library for a monthly rent of \$1,875 (\$22,500 annually). According to Ms. Venegas, the previous one-year option term for the same space expired on June 30, 1994. Since then, the City has occupied the premises on a month-to-month hold-over basis pending the completion of lessor-financed renovations, at an estimated cost of \$5,000, of the facility's restrooms to meet handicap accessibility requirements. According to Ms. Venegas, the City did not pay for any of these renovation costs.

Ms. Venegas advises that the month-to-month lease continued for six years and that renewal of a longer-term lease was not implemented because the Library was investigating the possibility of expanding the Glen Park Branch to the adjoining parcel owned by the same lessor. According to Ms. Venegas, the Library's expansion plans and the lessor's development plans resulted in the delay of renovations of the existing Glen Park Branch restrooms. Ms. Venegas reports that the Library subsequently decided not to follow through with its expansion plans.

**Tenant Improvements:** None

**Comments:**

1. According to Ms. Venegas, the proposed rent, which will result in a 37.5 percent increase from the previous rent, represents fair market value.

2. The proposed lease commenced on February 1, 2000 and will terminate on January 31, 2005. Therefore, the proposed resolution should be amended to allow for retroactive authorization.

3. According to Ms. Venegas, the lease negotiations were completed in January of 2000, and the lessor requested that the term commence on February 1,





Memo to Finance and Labor Committee  
March 29, 2000 Finance and Labor Committee Meeting

2000, subject to Board of Supervisors approval. It should also be recognized that the lessor has not raised the rent since July 1, 1993, including the six years since July 1, 1994 that the lease has been on a month-to-month basis.

**Recommendations:**

1. Amend the proposed resolution to provide for retroactive authorization, in accordance with Comment No. 2 above.
2. Approve the proposed resolution, as amended.



Item 3 – File 99-2295

**Department:** Public Transportation Department  
Municipal Railway (Muni)

**Item:** Hearing to consider the feasibility of offering a reduced student rate on the Municipal Railway for enrolled students attending college within the City and County of San Francisco.

**Description:** On December 20, 1999 the Board of Supervisors adopted a resolution urging the Municipal Railway to investigate the possibility of offering a reduced student rate for enrolled students attending college within the City (Resolution No. 1174-99). The resolution noted that such a program could be funded from the sale of discounted Muni transit passes to college and university students. Payment to Muni for the discounted transit passes would be from student fees assessed by the respective college or university. The benefits of such a program according to the resolution would be increased public transit utilization by students, thereby assisting in reducing traffic congestion and parking problems. The resolution further directed the Muni to report back to the Board of Supervisors with recommendations for such a program within eight weeks.

A discounted transit pass for all students attending college in the City would result in decreased revenue to the Muni from students who currently pay the full price of an adult transit pass or full fare. However, the proposed program would also result in the purchase of such discounted passes by all such students, at a discounted rate, through student fee assessments, thereby resulting in increased sales and additional revenue to the Muni. The fiscal impact of such a program therefore will depend on the amount of the discount and the net effect of decreased revenues from existing student users offset by the sale of additional passes to students that do not currently use Muni.

The Attachment to this report is a letter from Mr. Michael Burns, General Manager of Muni, concerning the proposed program to offer a reduced student rate.



According to Mr. Burns, the staff of the San Francisco Municipal Railway believe that a discount of as much as 65 percent off the cost of an adult monthly pass may be feasible if the reduced rate passes are issued to college students through a student fee increase. An adult monthly pass now costs \$35. A 65 percent discount for college students would result in a discount of \$22.75 meaning that such passes would cost \$12.25 per month (\$35 less \$22.75).

Mr. Burn's letter states that a "65 percent discount rate appears feasible in terms of revenue; at this discount level it is unlikely that Muni will suffer revenue losses resulting from this program." The Muni's analysis concludes that any discount greater than 65 percent would require funding from another source to offset the loss in fare revenue.

**Comments:**

1. The Muni estimates that between five percent and 15 percent of Muni's current farebox revenue is received from college students who would qualify for a discounted transit pass program, or approximately \$5,000,000 to \$15,000,000 per year.

2. According to the attached letter from Mr. Burns, the Muni has discussed this potential program with San Francisco State University (SFSU) and the University of San Francisco (USF). However, the discount rates suggested by the two universities (up to 90 percent) would result in a loss of between \$1,000,000 and \$10,000,000 per year. As noted above, the Muni estimates that a 65 percent discount would result in no net revenue loss for the Muni.

3. As stated in the attachment to this report, the Muni recommends the following next steps:

- Continue working with representatives from SFSU and USF to review the feasibility of a maximum 65 percent discount payable through student fees.
- Review program options with other interested Universities.
- Further develop details of program administration including costs, security, and administrative procedures.





- As needed, make further recommendations to, and seek approval from, the Board of Directors of the Municipal Transportation Agency.

4. In summary, the fiscal impact of a program to offer discounted transit passes to students attending colleges or universities in the City will depend on the amount of the discount and the net effect of decreased revenues from existing student users, who currently pay full adult fares or purchase adult passes, offset by the sale of additional discounted passes to students that do not currently use Muni. The Muni estimates that a discount of 65 percent would be revenue neutral in that the revenue decrease resulting from the discount pass would be balanced by the sale of additional college student passes.





San Francisco Public Transportation Department

401 Van Ness Avenue, Suite 334, San Francisco, CA 94102  
Phone: 415.554.4129 Fax: 415.554.4143

Attachment  
Page 1 of 4



February 28, 2000

Gloria Young  
Clerk of the Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

**Re: College Student Discount Fares**

Dear Ms. Young:

This report presents the preliminary recommendations of the San Francisco Municipal Railway staff regarding a discount fare for students enrolled at colleges or Universities within the City and County of San Francisco.

Based on information available at this time, the staff of the San Francisco Municipal Railway believe that a discount, possibly as great as 65 percent off the cost of an adult monthly pass, may be feasible if the reduced rate passes are issued to the entire student body through a student fee increase. Any discount greater than 65 percent would require funding from another source to offset the loss in fare revenue.

Muni's staff is committed to creating a consistent and financially feasible program that can be offered to all interested colleges in San Francisco, rather than multiple programs using different rates for different schools. With over 130,000 students enrolled at more than seven colleges and Universities in San Francisco, a student discount could have a significant impact on Muni's finances. Initial discussions have occurred with San Francisco State University and the University of San Francisco; creating a sustainable and feasible program will require careful program development with these and other interested colleges and universities.

**Current Muni Finances and Fare Policy**

The review by Muni staff of a discounted student fare program was conducted in the context of the Department's current financial situation and existing fare policies.

- *Current Operating Budget Constraints.* Potential changes to fare revenues must be carefully evaluated for their impact on the Department's overall budget. The San Francisco Municipal Railway derives approximately 1/3 of its operating budget from



fare revenues. Muni must therefore ensure that fare policies do not cause a reduction in revenues.

- *Proposition E Financial Incentives.* Proposition E, which was adopted by the voters in November 1999, creates strong incentives for the Municipal Transportation Agency (MTA) to develop non-general fund revenues. In this context, Muni staff favor a program that would issue student discount passes through a fee paid by all students. This could provide a predictable, stable source of funding while offering students a substantial discount.
- *Existing Fare Policy.* Muni currently has a wide variety of fare rates and mechanisms. Any new fare device needs to be consistent with the current structure while having reasonable administrative procedures. A 65 percent discount with passes administered in part by the involved colleges offers a relatively simple fare structure in which the administrative burden is partly shared. Muni staff is aware that the new Board of Directors of the MTA will need to approve any proposed fare changes in order to make the changes effective.

#### **Other Bay Area “Class Pass” Programs**

Staff at Muni have drawn from information available from other system’s experiences with student discount programs, especially AC Transit’s program with UC Berkeley. The most relevant lessons are that having a student fee-based mechanism may take time to achieve but ultimately offers a stable program benefiting the community. However, it is difficult to estimate the revenue impacts for this type of program.

AC Transit has created a “Class Pass” program with the University of California at Berkeley. Similar to what Muni is considering, the AC Transit passes are issued each semester and paid out of student fees. AC Transit’s main goal was to increase ridership rather than revenue. Passes cost \$20 for a 9-month school year. At this stage, AC Transit does not have data to indicate whether the program is increasing or decreasing their revenues.

The Santa Clara Valley Transit Authority (VTA) has a similar student program with the California State University at San Jose. The VTA program costs students \$35 for a 9-month pass, but the University pays a subsidy to VTA to defray the difference between the regular adult rate and the student rate.

It should be noted that both AC Transit and VTA have introduced these programs in an effort to fill empty seats on service already being provided. Most Muni service is at or near capacity already and ridership increases yield demands for increased service and increased subsidy.





## Proposals from the Colleges

Municipal Railway staff have met with representatives from San Francisco State University (SFSU) and from the University of San Francisco (USF) regarding student discount programs. Other colleges in the City & County of San Francisco have not contacted Muni regarding discounted student fares. Further information about SFSU and USF follows.

- *San Francisco State University.* SFSU favors a pass available to all students, staff, and faculty at a cost of approximately \$20/semester (an 87 percent discount from the adult monthly pass), payable as part of student fees. Students would need to vote on and approve any fee increase; this process could take up to 18 months. According to a 1998 survey conducted by the University, approximately 64 percent of SFSU's 25,000 enrolled students ride the Muni as their primary transport to and from school. The survey did not identify other important information such as the number of trips taken per week or average fare paid.
- *University of San Francisco.* USF favors a program initially offered only to undergraduates, with passes costing \$30/year (approximately a 90 percent discount from the adult monthly pass), payable through student fees. Students would need to vote on and approve this fee increase; USF estimates this process could take 6-9 months. USF has approximately 3,700 undergraduate students and 4,000 graduate students. According to a 1999 survey provided by the University, between 39 percent and 68 percent of students ride the Muni to and from school. As with SFSU, important ridership information was not available from the survey.

## Revenue Impacts of a "Class Pass" Program

Although Muni recommends pursuing a student fee-based student discount program, the discount levels requested by SFSU and USF do not appear to be financially feasible at this time. Rather, Muni staff recommends a maximum 65 percent discount from the current adult monthly pass rate.

Results of the financial analysis are provided below, based on available information about student enrollment, ridership, and average fares paid.

- *Current Student Impact on Muni Revenues:* Students represent between 5 percent and 15 percent of Muni farebox revenue, generating approximately \$5-15 million per year in fare revenue.
- *Discounts Proposed by SFSU and USF:* Discount levels proposed by SFSU and USF could reduce Muni revenue by \$1-10 million per year, if the discount were applied to seven major colleges within San Francisco. If an 87-90 percent discount were offered only to SFSU and USF, the revenue losses could be between \$900,000 and \$1.8 million per year.



- *Financially Feasible Discount Level:* A 65 percent discount appears feasible in terms of revenue; at this discount level it is unlikely that Muni will suffer revenue losses resulting from this program. Greater than 65 percent discounts could result in revenue losses compared to current revenue levels, and could require additional funding from another source to offset the loss in revenue.

### **Service Impacts**

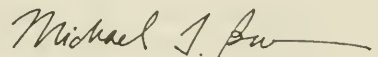
Muni is currently involved in a variety of service and performance initiatives, detailed in the San Francisco Municipal Railway 2000 Short Range Transit Plan (SRTP). A discounted student fare program could increase ridership, but information on the scope of this increase is not currently available. It should be noted that despite any potential increase in the number or frequency of trips taken by students, service changes designed specifically for college and university locations are not anticipated beyond what is presently included in the SRTP. However, Muni's service and performance initiatives are continuously reviewed in the context of service and program priorities.

### **Next Steps**

To continue developing the Class Pass program, Muni staff will:

- Continue working with representatives from SFSU and USF to review the feasibility of a maximum 65 percent discount payable through student fees.
- Review program options with other interested Universities.
- Further develop details of program administration including costs, security, and administrative procedures.
- As needed, make further recommendations to, and seek approval from, the Board of Directors of the MTA.

Very truly yours,



Michael T. Burns  
General Manager

cc: Supervisor Gavin Newsom



Item 4 - File 00-0449

1. This is a hearing to consider (a) the proposal to close part of the psychiatric capacity at San Francisco General Hospital and (b) future plans for serving dual diagnosis patients who suffer from substance abuse and psychiatric problems.
2. The attached memorandum, provided by DPH, summarizes the proposed reduction of acute psychiatric beds at SFGH in the FY 2000-2001 budget and proposed alternative programs to provide mental health services to sub-acute psychiatric patients.
3. The General Fund subsidy for the Department of Public Health (DPH) in FY 1999-2000 is \$232.6 million. According to Dr. Mitchell Katz of DPH, the projected General Fund subsidy in the FY 2000-2001 DPH budget is \$252.5 million, a \$19.9 million or 8.5 percent increase over FY 1999-2000. Dr. Katz states that the proposed increase in General Fund subsidy to the DPH budget results primarily from decreased revenue from other funding sources.
4. Currently, DPH has budgeted for 92 acute psychiatric beds at San Francisco General Hospital (SFGH). According to Dr. Katz, in the FY 2000-2001, DPH has proposed a budget for 71 acute psychiatric beds, a reduction of 21 beds or 22.8 percent. Dr. Katz states that DPH is proposing to reduce the number of acute psychiatric beds to offset the loss in revenues, due to de-certification and denial of Medi-Cal reimbursements for psychiatric patients who do not qualify for acute psychiatric care. The reduction of 21 beds would result in a reduction of \$ 3,000,000 budgeted for acute psychiatric beds.
5. Dr. Katz states that DPH expects a \$2.2 million deficit in Short Doyle Medi-Cal revenues in FY 1999-2000. Short Doyle Medi-Cal funds are Federal funds used to reimburse mental health services provided to Medi-Cal patients. According to Ms. Monique Zmuda of DPH, in the proposed FY 2000-2001 DPH budget, DPH projects a \$2,180,000 reduction from FY 1999-2000 in Short Doyle Medi-Cal revenues.
6. Dr. Katz states that Medi-Cal denies reimbursement for approximately 60 percent of the acute psychiatric bed days billed to Medi-Cal. According to Dr. Katz, some patients are not discharged from the psychiatric unit, even after the staff determines that they no longer require acute psychiatric hospitalization. Often, such patients are difficult to place because they are homeless, have substance abuse problems, or have no alternative placement. Medi-Cal does not reimburse SFGH for patients occupying acute psychiatric beds if they do not have an acute psychiatric diagnosis.





7. According to Dr. Katz, in the FY 2000-2001 DPH budget, DPH has proposed \$900,000 for supportive housing and neurobehavioral psychiatric sub-acute beds for the placement of physically and mentally ill patients. According to Dr. Katz, sub-acute psychiatric patients would be placed in supportive housing or neurobehavioral psychiatric sub-acute beds, as appropriate, rather than being maintained in SFGH acute psychiatric beds.

8. The FY 2000-2001 DPH budget also proposes \$433,000 for the funding of a behavioral/psychiatric ward at Laguna Honda Hospital (LHH) for psychiatric patients discharged from SFGH who need this type of care.

9. Dr. Katz states that DPH also proposes to reallocate funds within the DPH budget to develop a short-stay rehabilitation ward at LHH that will focus on enabling residents to prepare for their return to the community. According to Dr. Katz, this ward will decrease the length of stay for patients at LHH. Dr. Katz states that, by enabling patients to be discharged from LHH in a shorter period of time, an increased number of LHH beds will become available for SFGH patients who no longer require acute hospitalization.

10. Dr. Katz reports that DPH currently has a number of programs for dually diagnosed patients who suffer from substance abuse and psychiatric problems. The supportive housing and neurobehavioral psychiatric subacute beds proposed in FY 2000-2001 budget will serve dually diagnosed patients. Dr. Katz states that almost all of the mental health programs provided by DPH serve psychiatric patients with substance abuse problems. Whether there should be a further expansion of programs for dually diagnosed patients is a policy decision for the Mayor and the Board of Supervisors which would require additional funding according to Dr. Katz.

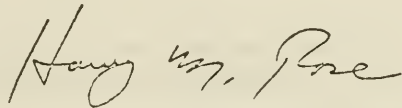
11. In summary, in FY 2000-2001, DPH has proposed the following changes:

- DPH has proposed reducing the number of acute psychiatric beds at SFGH by 21, from the current number of 92 acute psychiatric beds to 71.
- DPH projects that Federal Short Doyle Medi-Cal revenues to reimburse mental health services will be reduced by \$2,180,000 in FY 2000-2001. Additionally, DPH estimates that SFGH will lose approximately \$2.2 in Medi-Cal reimbursement revenues in FY 1999-2000 because Medi-Cal did not reimburse for sub-acute psychiatric patients being maintained in acute psychiatric beds at SFGH.
- DPH has proposed \$900,000 in the FY 2000-2001 DPH budget for supportive housing and neurobehavioral psychiatric sub-acute beds for physically and mentally ill patients and \$433,000 for the funding of a behavioral/psychiatric ward at LHH. Additionally, DPH proposes to reallocate funds within the DPH budget to develop a short-stay rehabilitation ward at LHH.



Memo to Finance and Labor Committee  
March 29, 2000 Finance and Labor Committee Meeting

- DPH does not currently have plans for programs specifically targeted to psychiatric patients with substance abuse problems. However, existing DPH mental health programs have some capacity to serve psychiatric patients with substance abuse problems.
- DPH has a number of programs for persons with dual diagnoses. Expansion of these programs would be a policy decision for the Mayor and the Board of Supervisors which would require additional funding.



Harvey M. Rose

cc: Supervisor Yee  
Supervisor Bierman  
President Ammiano  
Supervisor Becerril  
Supervisor Brown  
Supervisor Katz  
Supervisor Kaufman  
Supervisor Leno  
Supervisor Newsom  
Supervisor Teng  
Supervisor Yaki  
Clerk of the Board  
Controller  
Legislative Analyst  
Erin McGrath  
Stephen Kawa  
Ted Lakey



## City and County of San Francisco

## Department of Public Health



Mitchell H. Katz, M.D.  
Director of Health

March 23, 2000

Memo To: Harvey Rose

From: Mitchell Katz, M.D. *Mitchell Katz*

Re: Hearing by Finance and Labor Committee regarding DPH Budget  
Proposal to Reduce Acute Psychiatric Inpatient Beds

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Thank you for having your staff prepare a budget summary for this important issue. Here is additional information regarding the proposal to reduce the number of inpatient psychiatric beds at San Francisco General Hospital for FY 00-01.

The current budgeted census at SFGH Psychiatric Inpatient Services is 92. The Department's total costs related to the inpatient psychiatric services is \$24 million. The direct costs associated with the program (including staff and physicians) is \$15.2 million. Of this cost, only \$3.0 will be reimbursed by MediCal in the current year, which is \$2.2 million less than budgeted even though over 57% of the patients are MediCal eligible. In the last year, over 60% of the MediCal inpatient days could not be billed to MediCal because the patients were no longer in need of acute care. We believe that SFGH could improve its discharge planning. The other non-profit hospitals in San Francisco that care for our patients have only 26% of inpatient days judged to not need acute care. Some patients stay on the inpatient ward for long periods of time because they are homeless, have substance abuse issues, or are difficult to place.

For FY 00-01, the Department proposes to increase community programs in order to provide more options for patients upon discharge of acute care. As patients are discharged or transferred to more appropriate treatment settings in the community, the Department will reduce up to 22 inpatient beds, thereby reducing costs for expensive hospitalization that has no reimbursement. Inpatient expenses will be reduced by \$3,000,000. Of this amount, \$900,000 will be reallocated to create supportive housing and sub-acute alternatives for the patients. In addition, the Department is increasing board and care beds, creating a neurologic-behavioral psychology unit at Laguna Honda, and opening up a new acute diversion residential program in the community in order to increase the treatment capacity for patients who no longer need acute care.

This strategy, which has been endorsed by the Health Commission, is consistent with the Department's strategic direction of decreasing the need for acute hospitalization, which is very costly, and increasing the use of less expensive, less restrictive community settings.





This strategy is also consistent with the direction of health care throughout the United States. The proposal will provide better treatment options for patients, and reduce costs for which no reimbursement exists.

I will be available to answer any questions that you or the members of the Board of Supervisor's Finance and Labor committee have on the DPH budget.





City and County of San Francisco  
Meeting Minutes  
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

City Hall  
1 Dr. Carlton B.  
Goodlett Place  
San Francisco, CA  
94102-4689

Clerk: Mary Red

Wednesday, April 05, 2000

10:00 AM

City Hall, Room 263

**Regular Meeting**

**Members Present:** Leland Y. Yee, Sue Bierman, Tom Ammiano.

Meeting Convened

DOCUMENTS DEPT.

*The meeting convened at 10:09 a.m.*

APR 11 2000

**REGULAR AGENDA**

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**000450 [Federal Day Care Funds]**

**Supervisors Yee, Ammiano, Teng**

Hearing to consider the reasons why the City and County of San Francisco did not fully allocate federal child care funds necessitating a return of more than \$6 million to the federal government and to discuss changes that should be implemented to ensure that all available child care funds - federal, state, and local - are fully allocated to those that need and are eligible for them.

3/13/00, RECEIVED AND ASSIGNED to Finance and Labor Committee. March 20, 2000 Supervisor Brown requested his name be removed as co-sponsor.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Will Lightbourne, Director, Department of Human Services; Supervisor Yee; Supervisor Bierman; Supervisor Ammiano; Coret Reed, Director, Whitney Young Center; Marina Gillis; Susan Lavara.*

**FILED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**000216 [Transportation for Welfare to Work participants]**

**Supervisor Bierman**

Hearing to determine what, if any, measures have been adopted by Muni to ensure that those participating in the Welfare to Work programs are provided with adequate means of reaching their places of employment, especially transportation for nighttime employees, particularly those employed at the San Francisco Airport.

1/31/00, RECEIVED AND ASSIGNED to Transportation and Land Use Committee.

3/28/00, TRANSFERRED to Finance and Labor Committee.

**CONTINUED TO CALL OF THE CHAIR by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**000315 [Cal-Works Program]****Supervisor Bierman**

Hearing to consider the current status of the Cal-Works program, which is now in its second year.

2/14/00, RECEIVED AND ASSIGNED to Housing and Social Policy Committee. SPONSOR REQUESTS THAT THIS ITEM BE SCHEDULED FOR APRIL 18, 2000, MEETING.

3/28/00, TRANSFERRED to Finance and Labor Committee. Sponsor requests that item be calendared April 5, 2000.

*Heard in Committee. Speakers: Rebecca Vilkomerson; Homeless Prenatal Program; Jessica Ariles; Irma Sanz; Lisa Garcia, Poor Magazine; Ann Politco; Libby Kaiser; Falechia Harris; Nancy Frappier; Susie Mattos, Housing Specialist, Sonia Batres, Dianna Loggins; Eve Scotland, Bay Area Legal Aid, Steve Bingham, National Center for Youth Law; Michael McCarthy, Compass Community Services, Damu Sudh Alu, Bayview Hunters Point Client Advocate Project, Martina Gillis, Jackie Henderson, Will Lightbourne, Director, Department of Human Services, Supervisor Ammiano, Supervisor Bierman, Supervisor Yee.*

**CONTINUED TO CALL OF THE CHAIR by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**000424 [Food Service - Application and Permit Fees]**

Ordinance amending Part III of the San Francisco Municipal Code (Business and Tax Regulation Code) by amending Section 249.11 to revise permit fees for temporary food operations at special events; amending Part II of the San Francisco Municipal Code (Traffic Code) by amending Section 806 to revise Department of Public Health permit fees for food operations at street fairs; amending Part II of the Municipal Code (Health Code) by amending Sections 451 and 452, to reorganize the section on applying for permits to operate a food establishment, modify the definition of "special events," change the deadline for applications for temporary food permits for special events; and impose an extra fee for late applications for temporary permits. (Public Health Department)

(Amends Business and Tax Regulation Code Section 249.11, amends Traffic Code Section 806; amends Health Code Sections 451 and 452.)

3/8/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Continued to April 19, 2000*

**CONTINUED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**000479 [Year 2000 Annual Joint Fundraising Drive Application Deadlines]****Mayor**

Ordinance amending Section 16.93-4 of the San Francisco Administrative Code, which establishes March 1 of each year as the deadline for agencies who wish to participate in the Annual Joint Fundraising Drive to submit their applications, to allow any Mayor's fund to submit by April 15, 2000 their application to participate in the 2000 Annual Drive.

(Amends Section 16.93-4.)

3/20/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Alex Tourk, Mayor's Office, Supervisor Yee, Ted Lakey, Deputy City Attorney.*

**RECOMMENDED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

- 000466 [Proposed acquisition of 7,500 sq. ft. Palou/Phelps lots in the Bayview district for open space purposes]  
Resolution authorizing the acquisition of real property located in the Bayview District identified as Assessor's Block No. 5328, Lot Nos. 25, 28, and 29 for \$115,500 from John L. Goodrich for open space purposes and adopting findings pursuant to Planning Code Section 101.1. (Real Estate Department)

3/15/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Tony DeLucchi, Director of Property, Real Estate Department.*

**RECOMMENDED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

## **SPECIAL ORDER - 11:00 A.M.**

- 000328 [Public Financing of Election Campaigns]

Supervisor Ammiano

Ordinance amending Administrative Code by adding Sections 16.549-1 through 16.549.18 to provide for public financing of election campaigns. (Ethics Commission)

(Fiscal impact; Adds Sections 16.549-1 through 16.549.18.)

2/18/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Heard in Committee. Supervisor Ammiano; Harvey Rose, Budget Analyst; Supervisor Yee; Ginny Vida, Executive Director, Ethics Commission; Naomi Starkman, Ethics Commission; Claire Sylvia, Deputy City Attorney; Paul Melbostad, Ethics Commission. In Support: Jim Knox, California Common Cause (CCC); Rebecca Silverberg, Coalition for S. F. Neighborhoods (CSFN); Steven Currier; Marie Harrison; Bud Wilson, Greater West Portal; Joan Girardot, President, CSFN; Bill Rangfeld, CCC; Joan Kingery, CCC. Amendment of the Whole continued to April 12, 2000.*

**AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.**

Ordinance amending Administrative Code by adding Sections 16.549-1 through 16.549.18 to provide for public financing of election campaigns and to add Sections 16.550.1 through 16.550.10 to provide for increased disclosure of campaign contributions and expenditures. (Ethics Commission)

(Fiscal impact; Adds Sections 16.549-1 through 16.549.18; and Sections 16.550-1 through 16.550.10.)

**CONTINUED AS AMENDED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

## **ADJOURNMENT**

*The meeting adjourned at 1:04 p.m.*





CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

## BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642

FAX (415) 252-0461

March 31, 2000 DOCUMENTS DEPT

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: April 5, 2000 Finance and Labor Committee Meeting

Item 1 - File 00-0450

Department: Department of Human Services (DHS)

Item: Hearing to consider the reasons why the City and County of San Francisco did not fully allocate Federal child care funds, necessitating a return of more than \$6 million to the Federal government and to discuss changes that should be implemented to ensure that all available child care funds - Federal, State and local - are fully allocated to the residents of San Francisco that need and are eligible for such child care funds.

Description: Mr. Trent Rhorer of the Department of Human Services (DHS) advises that participants in the State CalWORKS Program who are engaged in qualified work activities (e.g., job training, employment, education) can receive subsidized childcare benefits, ranging from \$368 to \$1,133 per month per child, depending on the age of the child and the type of care provided. According to Mr. Rhorer, CalWORKS is a Federal and State funded Program that is operated through the State Department of Social Services. The following descriptive information responds to the various questions cited in the proposed hearing notice by the Board of Supervisors.

APR - 3 2000

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**FY 1998-99 allocations and expenditures:** Mr. Rhorer advises that in FY 1998-99, DHS received an original allocation of \$5.9 million from the CalWORKS Program together with a \$2 million reallocation of State funds from FY 1997-98 for CalWORKS Stage 1 (participants receiving cash aid) childcare subsidies, in addition to a \$2.6 million allocation of State funds for CalWORKS Stage 2 (participants who have left CalWORKS cash aid) childcare subsidies, for a total initial allocation of \$10.5 million. In November of 1998, DHS realized that the \$10.5 million of childcare subsidy funds would not be sufficient for the entire fiscal year and the City applied for \$13.9 million of additional Stage 1 childcare funds from a State-wide Childcare Reserve Fund of \$183 million, which was established for those counties that had a higher childcare utilization rate than was originally projected for this new State Program. According to Mr. Rhorer, the State-wide utilization rate of such childcare subsidies is currently approximately 25 percent of those persons eligible, but in San Francisco the childcare subsidy utilization rate is approximately 50 percent.

Of the additional \$13.9 million which the State authorized the City and County of San Francisco to draw funds against, the City spent approximately \$7 million in FY 1998-99, for a total of approximately \$17.5 million (\$10.5 million initial allocation plus \$7 million additional expenditures) in childcare subsidies in FY 1998-99. The remaining authorization of \$6.9 million (\$13.9 million authorized by the State less \$7 million expended by the County in FY 1998-99) was rolled over for use by San Francisco for childcare subsidies in FY 1999-2000. Ms. Michelle Rutherford of DHS reports that San Francisco applied for the additional \$13.9 million of childcare subsidies in FY 1998-99, because (1) DHS was not sure if the State would allocate all of the \$13.9 million in funds requested, and (2) DHS knew that the unused funds could be reallocated for childcare subsidies in FY 1999-2000. Therefore, Mr. Rhorer advises that the City did not actually return any childcare funds to the State, but instead, reallocated the authorized but unspent \$6.9 million of childcare funds for use in FY 1999-2000.

**FY 1999-2000 allocations and expenditures:** In FY 1999-2000, Mr. Rhorer reports that San Francisco will

expend a total of approximately \$18.1 million of childcare subsidies for Stage 1 participants and \$8 million for Stage 2 participants for a total of approximately \$26.1 million of childcare funds, which includes the \$6.9 million of reallocated funds from FY 1998-99. This \$26.1 million allocated for child care for FY 1999-2000 represents a 49 percent increase from the \$17.5 million expended for child care in FY 1998-99.

**Existing Notification of Childcare Subsidies:**

According to Mr. Rhorer, the existing protocol to notify participants of the availability of subsidized childcare services includes: (1) a preliminary overall orientation for each CalWORKS participant, which takes approximately four hours, and includes a presentation by the Children's Council representative who discusses the childcare subsidy program and the options for types of childcare; (2) individual casemanagers, who work with each CalWORKS participant and provide documents, which must be signed by each participant that includes additional information regarding childcare needs and subsidies, and allows up to five years of childcare subsidies for those persons eligible; (3) notification by mail regarding continued eligibility for childcare subsidies for up to two years for those participants who leave CalWORKS cash aid; and (4) a DHS contract with Parent Voices, a non-profit organization, which provides direct outreach and childcare subsidy information for participants that leave the CalWORKS Program early. Mr. Rhorer advises that San Francisco is the only County in the State that provides this type of contractual outreach program for CalWORKS participants. According to Ms. Rutherford, information and notification of childcare subsidies is currently provided by both DHS and Parent Voices in four languages: (1) English, (2) Spanish, (3) Chinese (both Mandarin and Cantonese), and (4) Russian. In addition, Mr. Rhorer advises that individual DHS casemanagers are available to translate information for particular clients, when necessary.

**State-wide Comparisons for San Francisco:**

According to Mr. Rhorer, San Francisco has the highest State-wide use of such childcare subsidies with approximately 50 percent of the eligible children in CalWORKS families currently benefiting from these State

April 5, 2000 Finance and Labor Committee Meeting

childcare subsidies, as compared to a State-wide average of 25 percent. Mr. Rhorer further advises that San Francisco's childcare subsidy notification and outreach efforts must be effective relative to what other counties in the State are doing because San Francisco currently receives a disproportionate share of the State's childcare subsidy funds. According to Mr. Rhorer, although San Francisco has approximately one percent of the State-wide childcare caseload, San Francisco has been allocated 9.7 percent of the State-wide childcare subsidy Reserve Funds over the past two years. Ms. Rutherford reports that currently there are approximately 3,000 children in San Francisco receiving CalWORKS subsidies for childcare.

**Future Opportunities:** Nevertheless, Ms. Rutherford advises that DHS is continuing to explore other ways to improve and expand the current methods of notifying current CalWORKS participants and former recipients of the availability of subsidized childcare services. For example, Ms. Rutherford reports that DHS, together with the Children's Council, is looking at other marketing approaches, such as (1) specific targeted efforts to families that are resistant to using subsidies, for which Providian Bank has offered in-kind support or (2) using videos which could provide previous clients' testimonials and experiences regarding childcare subsidies. Ms. Rutherford reports that in Fiscal Year 2000-2001, DHS will continue to insure that the State subsidized CalWORKS childcare services are utilized and anticipates that San Francisco will receive comparable baseline funding of \$26.1 million, as in the current year. Ms. Rutherford also advises that the State anticipates setting aside a State-wide Reserve Fund of \$150 million for those counties that need additional childcare subsidies in FY 2000-01, from which San Francisco could again be allocated additional childcare funds, if required.

**DHS, State and Children Council Responses:** In response to a March 13, 2000 article and March 14, 2000 editorial, Mr. Will Lightbourne, the Executive Director of the Department of Human Services sent the attached letter (Attachment I) on March 15, 2000 to the Editor of the San Francisco Chronicle newspaper, addressing many of the above issues regarding childcare funding in San



Memo to Finance and Labor Committee  
April 5, 2000 Finance and Labor Committee Meeting

Francisco. In addition, in response to another San Francisco Chronicle article on March 16, 2000, Ms. Blanca Barna of the State Department of Social Services sent the attached letter (Attachment II) on March 20, 2000 to the San Francisco Chronicle reiterating many of these same points. Similarly, the Children's Council of San Francisco, that directly manages San Francisco's CalWORKS childcare subsidies through a contract with DHS, submitted the attached letter to the Editor of the San Francisco Chronicle on March 17, 2000 (Attachment III).

**Summary:** In FY 1998-99, San Francisco received an initial allocation of \$10.5 million for CalWORKS childcare subsidies and realizing this was not sufficient, applied for an additional allocation of \$13.9 million of such subsidies. Of the additional \$13.9 million, San Francisco spent approximately \$7 million, for a total childcare subsidy expenditure of \$17.5 million in FY 1998-99 and carried forward the remaining unspent \$6.9 million for FY 1999-2000.

In FY 1999-2000, San Francisco is expected to spend a total of \$26.1 million, including the \$6.9 million of reallocated funds from FY 1998-99. This \$26.1 million represents a 49 percent increase from the \$17.5 million childcare subsidy expenditure in FY 1998-99.

DHS advises that San Francisco has the highest State-wide use of such subsidies, benefiting approximately 50 percent of the eligible children, as compared to a State-wide average of 25 percent. San Francisco received 9.7 percent of the State-wide Reserve Funds for childcare subsidies over the past two years, although San Francisco accounts for only approximately one percent of the State-wide childcare caseload.

Nevertheless, DHS is continuing to explore ways to improve their methods of notifying current and former CalWORKS recipients about the availability of subsidized childcare services. Attached letters from DHS, the State and the Children's Council reiterate these issues and refute articles and an editorial that recently appeared in the San Francisco Chronicle.

**BOARD OF SUPERVISORS  
BUDGET ANALYST**



City and County of San Francisco

Department of Human Services



March 15, 2000

The Editor  
San Francisco Chronicle  
5<sup>th</sup> and Mission Streets  
San Francisco, California 94103

Dear Editor:

In your March 13 article and March 14 editorial on child care subsidies in San Francisco, you erroneously suggest:

1. San Francisco "returned" \$6.5 million in unused CalWORKs Stage 1 Child Care subsidies in 1998/1999.
2. San Francisco's childcare subsidy utilization rate is low.
3. San Francisco has made inadequate efforts to notify eligible participants of the availability of childcare subsidies.
4. At least two families, mentioned in the article, somehow went unserved and unassisted.

I would like to make your readers aware of the following:

No funds for child care were returned to federal or state sources. For fiscal year 1998-99, the State allocated San Francisco \$5.9 million for welfare-to-work childcare subsidies. We projected this amount would be too low, and asked for and received a set-aside of an additional \$13.9 million from the State's \$183 million child care reserve. The additional set-aside was available on a multi-year rollover basis.

In fiscal year 1998-99, we expended the entire original \$5.9 million allocation, and additionally spent (and therefore drew down) about \$7 million of the set-aside. The remaining \$6 million from the set-aside was re-allocated to San Francisco for use in fiscal year 1999-00.

In FY 99/00, we budgeted \$18.1 million in childcare subsidies, and spent \$8.7 million during the first half of the current fiscal year. Our projections indicate that we will spend the entire \$18.1 million by the end of the fiscal year.

San Francisco's child care utilization rate is twice that of the statewide average. You should be aware that the State budget, based on statewide experience, assumes a 25% utilization rate. We intend to continue to increase the utilization rate, but we are already well ahead of the state as a whole.

San Francisco makes repeated efforts to notify recipients of their child care options. The Chronicle report implies that the only method of notifying clients of the availability of childcare subsidies is through the initial CalWORKs Orientation, in which childcare is just one of a number of services, benefits and requirements discussed with participants. In fact, in addition to

the Orientation, discussion of child care options and services is an integral part of the development of the individual's employment plan, and at the time the plan is signed by the participant, each participant signs a statement acknowledging that they have been advised of the availability of child care subsidies.

As an additional step, San Francisco has funded Parent Voices, a local community advocacy group, to contact those individuals we identified as working or having left aid, and who might not have been fully briefed on child care services. Under this process we mailed informational materials to the clients and then had Parent Voices follow-up with contacts. According to preliminary data from a January 2000 survey of our CalWORKs caseload conducted by the Child Care Law Center, 94 percent of respondents are aware of the availability of child care subsidies.

The Chronicle reporter was provided all of the above information.

Two cases were profiled in the Chronicle story. In one case, the person was not a CalWORKs participant, and therefore would not in any way have been eligible for CalWORKs childcare subsidies. In the other case the family had left aid before enrolling in CalWORKs; however, in this case, the family had been subsequently contacted in 1999 and was made aware of the fact that they could still be eligible for child care assistance.

I hope that the Chronicle will devote as much space to returning to our staff and partner agencies their good names as you spent taking it away.

Sincerely,

WILL LIGHTBOURNE  
Executive Director  
San Francisco Department of Human Services

**CDSS**CALIFORNIA  
DEPARTMENT OF  
SOCIAL SERVICES

# Letter to the Editor

March 20, 2000

San Francisco Chronicle  
901 Mission Street  
San Francisco, CA 94103-2988

Dear Editor:

I feel compelled to set the record straight about the "misuse" of funds referred to in Tom Zoellner's article entitled "Misuse of Day Care Funds Denied - S.F. officials defend decision to send money back to government", (March 16, 2000). First, there was no "misuse" of funds; in fact, the San Francisco County Department of Human Services should be commended for their efforts in making available childcare subsidies to the thousands of mothers that are currently in the CalWORKs program. Moreover, San Francisco can be proud of the fact that on any given month, there are about 2,200 children in quality day care homes, and centers throughout the San Francisco Bay Area while their mothers are in job training, education classes, or at their place of employment, in an effort to get off welfare.

Secondly, absolutely no 'unspent child care funds' were returned to the state or federal government by San Francisco county as Mr. Zoellner claims. In fact, the county spent the entire \$5.9 million that was originally budgeted to them in Fiscal Year 1998-99. As a result, they received an additional \$13.9 million to implement more childcare programs to meet the growing demand for childcare subsidies by this population. San Francisco County spent \$7 million of this additional money, thus leaving \$6.9 million which was reallocated to the County this fiscal year.

In closing, I encourage Mr. Zoellner to visit some of the wonderful child care facilities and report on how the childcare subsidy programs in San Francisco have contributed to the successful outcomes realized by many mothers that did not have this option prior to the CalWORKs program.

Sincerely,

Blanca E. Barna  
Deputy Director  
Public Affairs and Outreach  
California Department of Social Services



Children's  
Council of  
San Francisco

March 17, 2000

Letters to the Editor  
San Francisco Chronicle  
901 Mission Street  
San Francisco, CA 94103

To the Editor:

It is amazing that, after weeks of research, reporter Tom Zoellner managed to get the child care story (March 13) so completely backwards.

His basic premise was that the city is doing a poor job of informing women about their subsidies, and therefore had to return CalWorks child care money to the state.

The opposite is the case. San Francisco is enrolling families in CalWorks child care subsidies at a rate that is twice the state average. Because this rate is also twice what the state expected, our state allocation of subsidy funds was dangerously low. The Department of Human Services applied for and gained additional money to handle our rate of enrollment - including enough to be re-allocated to the next year.

It is not surprising that the only two parents Zoellner could locate (after weeks of effort) to illustrate his backwards version of reality do not support his story. One was never eligible for CalWorks, and the records show that the other was informed about the child care program. She declined to participate for her own reasons.

Zoellner was biased in his approach to this story. Parents and others who were interviewed say that he was not objective and would not listen to what they were telling him. More disturbing is that the Chronicle's Editorial Board accepted his zealotry without checking.

The recent sale of the Examiner is bringing into question again the Chronicle's national reputation as little better than a tabloid. Reporting like this doesn't help. There are many important issues in the child care subsidy story that were entirely missed by this wrong-headed coverage. Try again.

Sincerely,

Linnea Klee  
Executive Director  
Children's Council of San Francisco

Downtown Office  
575 Sutter Street, 2nd Floor  
San Francisco, CA 94102-1113  
Phone: 415.243.0700  
Fax: 415.243.4414

Bayview-Hunter's Point Office  
1319 Evans Avenue, 2nd Floor  
San Francisco, CA 94124-1706  
Phone: 415.920.7280  
Fax: 415.826.3678

Mission District Office  
2601 Mission Street, Suite 600  
San Francisco, CA 94110-3130  
Phone: 415.920.7282  
Fax: 415.550.6839



Memo to Finance and Committee  
April 5, 2000 Finance and Labor Committee Meeting

Item 4 - File 00-0424

**Department:** Department of Public Health (DPH)

**Item:** Ordinance amending Part III of the San Francisco Municipal Code (Business and Tax Regulation Code) by amending Section 249.11 to revise permit fees for temporary food operations at special events; amending Part II of the San Francisco Municipal Code (Traffic Code) by amending Section 806 to revise Department of Public Health permit fees for food operations at street fairs; amending Part II of the San Francisco Municipal Code (Health Code) by amending Sections 451 and 452 to: (a) reorganize the section on applying for permits to operate a food establishment, (b) modify the definition of "special events," (c) change the deadline for applications for temporary food permits for special events, and (d) impose an extra fee for late applications for temporary permits.

**Description:** As the local health enforcement agency, the DPH has the authority to enforce the California Uniform Retail Food Facilities Law (CURFFL). In this role, the DPH, Environmental Health Section's Special Events program issues permits and inspects businesses that sponsor or conduct temporary food or beverage sales or distributions. Activities associated with this oversight role include reviewing permit application and food preparation, issuing required permits, conducting routine and follow up inspections, and providing outreach to businesses to assure compliance with CURFFL. Regulated businesses currently pay fees to the city based upon the number of temporary food booths per day of operation.

The current San Francisco Municipal Code sets forth procedures to apply to the Department of Public Health for food preparation and service establishment permits. The Municipal Code also requires a temporary food service permit to serve food at special events including street fairs, and sets forth fees and deadlines for permit applications and for the permits themselves.

The proposed amendment would, beginning FY 2000-2001, (1) increase DPH's filing fee for the sponsor of a "special event" at which food will be served, including street fairs;

BOARD OF SUPERVISORS  
BUDGET ANALYST

(2) establishes new application and permit fees for temporary food permits for special events based on the classification of food being served as either "high" (prepared on site) or "low"(pre-packaged) in potential health hazard; (3) increase filing, application, and permit fees by 3% each year beginning FY 2001-2002 subject to prior review by the Controller, submission of program costs by DPH, and a report to the Board of Supervisors that details program costs and anticipated revenues; (4) modify the definition of "special events"<sup>1</sup> to be slightly more inclusive for purposes of temporary food permit applications; (5) impose a 50% late charge if applications and filing fees for temporary food permits are not received by the DPH by at least 14 days before the event, and forecloses approval of applications if those applications and filing fees are not received prior to seven days before the event, and (6) reorganize the applicable Municipal Code sections on applications for food service permits, including temporary food permits to accommodate the changes above.

According to DPH, the permit fees are intended to fully recover the cost of this program. The Board of Supervisors last increased the program fees for Special Events in July of 1988 (file 341-88). According to Mr. James Gillen, Senior Administrative Analyst at DPH, the revenues from Special Event fees realized by the City have consistently been less than the City costs incurred in connection with such events.

Attachment I, provided by DPH, contains a list of all current fees applicable to this legislation. Including the existing fees, the proposed fees, the amount of the proposed fee increases, the percentage fee increases, the amount of the current annual revenues, and the amount of the proposed annual revenues if the proposed fee increases are approved. As noted in Attachment I, the total increase in

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<sup>1</sup> The current Section 249.11 of the Municipal Code reads: "'Special Events' means any organized collection of food purveyors operating individually or as a group from within temporary facilities for a maximum 25 days within a 90-day period upon private or public property." The new ordinance would read: "'Special Events' means any organized collection of food purveyors operating individually or collaboratively out of approved temporary or mobile food facilities at a fixed location for a period of time not to exceed 25 days in a 90-day period in conjunction with a single, weekly, or monthly community event as defined in the California Health and Safety Code Section 113895(b)."



Memo to Finance and Committee  
April 5, 2000 Finance and Labor Committee Meeting

fee revenue would be 187 percent if this proposed ordinance is approved.

**Comments:**

1. Attachment II, provided by DPH, details the City's FY 2000-2001 costs for regulation of temporary food operations at special events which are projected to be \$173,185, or \$1,805 less than the projected revenues of \$174,990. According to Mr. Gillen, if revenues exceed costs, DPH will make an adjustment to its proposed annual request for a three percent fee increase. DPH will request an adjusted rate of increase to ensure that program revenues closely match program costs. Based on the data presented in Attachments I and II, total projected FY 2000-2001 expenditures of \$173,185 would exceed revenues based on current fees by \$112,198 if this proposed ordinance is not approved (\$173,185 in expenditure less \$60,507 in revenue based on current fees).

2. Attachment III, provided by DPH, contains a list of the counties that were surveyed by DPH for their fee structures regarding temporary food operations. According to Mr. Gillen, these counties were surveyed to provide a basis for comparison, and to ensure that, relative to other counties, the fees required by the City and County of San Francisco would not be excessive.

3. According to Mr. Gillen, annual fee increases of up to three percent would be reviewed by the Controller, and reported to the Board of Supervisors. As such, separate Board of Supervisors approval of future fee increases would not be required. If the proposed ordinance is approved, new fee revenues would be included in DPH's FY 2000-2001 budget.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Table 2. Current (99-00) and Proposed (00-01) Fee Schedule

	Estimated Inventory	Current Fees	Proposed Fees	Percent Increase/Decrease	Proposed Revenue/Year
Application Fees:					
1. Event Sponsor	210	\$50	\$100	100%	\$21,000/year
2. Sponsored Low Hazard Operator	369	No Charge	\$20	N/A	\$7,380/year
3. Sponsored High Hazard Operator	1116	No Charge	\$46	N/A	\$51,336/year
4. Un-sponsored LowHazard Operator	41	\$50	\$20	(60%)	\$820/year
5. Un-sponsored High Hazard Operator	124	\$50	\$46	(8%)	\$5,704/year
Permit Fees					
6. Low Hazard Operation		\$25 1 <sup>st</sup> day/ \$10 each day	\$35 up to 2 days \$10 each day	40%	\$14,350/year
7. High Hazard Operation		\$25 1 <sup>st</sup> day/ \$10 each day	\$60 up to 2 days \$20 each day	140%	\$72,600/year
Total Fee Revenue		\$60,987	\$174,990	187%	

Table 1. Projected FY 2000-01 Special Events Program Costs

<b>Budget Category</b>	<b>FTE</b>	<b>Annual Expense</b>
6122 Sr. Health Inspector	0.96	75,695
6120 Health Inspector	0.31	22,720
6124 Principal Health Inspector	0.15	12,724
1426 Clerk Typist	0.25	10,727
Mandatory Fringe Benefits		30,466
Prorated operating costs		20,854
<b>Projected Program Total Cost</b>		<b>\$173,185</b>
<b>Annual Fees Collected</b>		<b>\$ 60,987</b>
<b>Expected Costs Not Recovered</b>		<b>\$112,198</b>
<b>Projected Fees Collected FY 00/01</b>		<b>\$174,990</b>
<b>Projected Over-Collection</b>		<b>\$ 1,805</b>

# Special Events Current Fees Survey of Selected California Counties

County	Filing Fee	Fee Structure	
San Francisco	\$50	\$25/booth – 1 <sup>st</sup> day \$10/booth x day after 1 <sup>st</sup> day	
Alameda	\$100 (Sponsor)	\$100/booth – potentially hazardous foods (PIHF) \$50/booth	
Contra Costa	\$30 (Sponsor)	\$68.75/profit booth	Other \$99 late application fee under 10 days \$109/hour reinspection
Los Angeles	\$279	\$110/booth	
Sacramento	None	\$149/booth – PIHF \$74/booth prepackaged foods	
San Mateo	none	Non-profits exempt \$86/booth \$50/booth if coordinator puts paperwork together	Other 3.5% annual fee increase
Santa Clara	none	\$41/non-profit booth \$114/profit booth	Other 2% + annual fee increase
Santa Cruz	none	\$72/booth/single event \$150/booth year-round One day events exempt	

Memo to Finance and Labor Committee  
April 5, 2000 Finance and Labor Committee Meeting  
Item 5 - File 00-0479

**Department:** Department of Administrative Services (DAS)

**Item:** Amending Section 16.93-4 of the San Francisco Administrative Code, which establishes March 1 of each year as the deadline for agencies who wish to participate in the annual joint fundraising drive to submit their applications, to allow any such agencies to submit by April 15, 2000, their application to participate in the 2000 Annual Drive.

**Description:** Section 16.93-3 of the Administrative Code requires the Department of Administrative Services (a) to review all applications from charitable organizations which request to participate in the City's Annual Joint Fundraising Drive, and (b) to recommend to the Board of Supervisors charitable organizations which qualify to participate in the City's Annual Joint Fundraising Drive in accordance with criteria set forth in Section 16.93-2 of the Administrative Code.

The proposed amendment would amend Section 16.93-4 of the Administrative Code, extending the deadline for this year only from March 1, 2000 to April 15, 2000. This amendment would allow charitable organizations that failed to meet the March 1<sup>st</sup> deadline an opportunity to apply to the Board of Supervisors in a timely manner for participation in the 2000 Annual Drive. According to Mr. Alex Tourk of the Mayor's office, the Private Industry Council, a long time participant in the Annual Drives, requested an extension of the deadline because leadership changes within their organization had rendered them unable to meet the March 1<sup>st</sup> deadline.

**Comment:** The Board of Supervisors approved extended deadlines such as the deadline affected by the subject ordinance for Annual Fundraising Drives for 1989, 1995, and 1997.

**Recommendation:** Approve the proposed ordinance.

Memo to Finance Committee  
April 5, 2000 Finance Committee Meeting

Item 6 - File 00-0466

**Department:** Recreation and Park Department (RPD)  
Department of Administrative Services (DAS)

**Item:** Resolution authorizing acquisition of real property located in the Bayview District for Open Space purposes and adopting findings pursuant to City Planning Code Section 101.1.

**Location:** Assessor's Block No. 5328 lot numbers 25, 28 and 29

**Seller:** Mr. John L. Goodrich

**Size:** 7,500 square feet

**Purchase Price:** \$115,500, or \$15.40 per square foot

**Source of Funds:** Open Space Funds approved in the FY 1996-97 budget

**Description:** Approval of the subject resolution would authorize the acquisition of the subject Property, Block 5328 lots 25, 28 and 29, from Mr. John L. Goodrich for \$115,500 for Open Space purposes. The lots are located at 1878, 1890, and 1894 Quesada Ave, respectively.

The subject Property, consisting of vacant land, is located in the Bayview District near the intersection of Palou Avenue and Phelps Street, between Quesada Avenue and Newhall Street. The three lots are 2,500 square feet each, with dimensions of 100 feet x 25 feet, and are located above Palou Avenue. The Property slopes steeply upward in a southerly direction toward Bridgeview Drive. The Attachment, provided by DAS, is a map of the subject property and surrounding area.

The Recreation and Park Commission approved this acquisition for Open Space purposes on May 1, 1997.

Acquisition was initially included in the program contained in the "General Manager's Report: San Francisco Park and Open Space Program" for FY 1996-97, adopted May 1, 1997 by the Recreation and Park Commission. The Department of City Planning reported

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



by letter dated August 1, 1997 that the proposed acquisition is in conformity with the General Plan and consistent with Planning Code Section 101.1

If the subject resolution is approved, it will be the second purchase of property in Block 5328 made by RPD. The first consisted of a purchase of 12 lots in 1998, done as a part of the San Francisco Park and Open Space Program. The Board of Supervisors approved the acquisition of that property.

**Comment:**

1. According to Mr. Anthony DeLucchi, Director of Property, the Real Estate Division of DAS, his department conducted an appraisal of the subject property, and has concluded that the proposed purchase price of \$115,500, or approximately \$15.40 per square foot, represents the fair market value of the property. The owner of the property has agreed to the valuation and entered into an Agreement of Purchase and Sale.

2. According to Mr. John Panieri of DAS, in April of 1997 the Department of Public Works (DPW) conducted a site assessment and remediation examination of the subject property. DPW determined that no hazardous materials were present.

3. According to Ms. Deborah Learner of the Recreation and Park Department (RPD), if the proposed purchase is approved, the Property will be considered a Significant Natural Resource Area because the Property contains valuable habitat, including a rich native plant community. Ms. Learner reports that the Property will remain Open Space and that RPD improvement plans are limited to invasive weed control and possibly some indigenous re-vegetation on the Property, pursuant to the Recreation and Park Commission's adopted policy to preserve and manage Significant Natural Resource Areas. Ms. Learner reports that the maintenance expenses associated with the subject site will be funded by annual Open Space Fund appropriations that are allocated for maintenance.

4. According to Ms. Alice Chong of the Assessor's Office, the assessed valuation of the subject Property to be

Memo to Finance Committee  
April 5, 2000 Finance Committee Meeting

acquired is \$1,728. Based on the 1999-2000 tax rate of \$1.13 per \$100 of assessed valuation, the annual taxes to be paid to the City on the property would be approximately \$19.50. Once the City acquires the Property, such taxes would no longer be paid to the City.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

828

PALOU

AVE.



Item 7 - File 00-0328

**Department:** Ethics Commission

**Item:** Ordinance amending the San Francisco Administrative Code to add Article XIIE, Sections 16.549-1 through 16.549-18 to provide for public financing of election campaigns.

**Description:** The proposed ordinance would provide public funds from a newly established Election Campaign Fund to partially defray the election campaign costs of each candidate for the Board of Supervisors who, according to the Ethics Commission:

- (1) is eligible to hold office as a member of the Board of Supervisors;
- (2) has received at least \$5,000 in contributions of between \$10 and \$100 each from at least 50 individual (not corporate) contributors who are San Francisco residents<sup>1</sup>;
- (3) is opposed by another candidate who is eligible to receive public financing, or has received contributions or made expenditures of at least \$5,000; and
- (4) agrees to:
  - limit his or her personal contributions to his or her own campaign to \$10,000;
  - limit his or her campaign spending per general election to \$75,000;
  - participate in at least one debate with his or her opponents; and
  - prove compliance with the proposed ordinance's requirements.

Additional public funds would be available to a candidate who must also contest a run-off election, so long as he or she limits his or her run-off election campaign spending to \$20,000.

**Comments:** 1. According to Ms. Naomi Starkman of the Ethics Commission, currently no municipalities in the United

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<sup>1</sup> While a candidate can accept contributions of up to \$500 per contributor under the Campaign Finance Reform Ordinance, only the first \$100 from each contributor would count toward eligibility for public funds under the proposed ordinance.

States have full public financing of election campaigns, while four States have approved, but not implemented, full public financing programs<sup>2</sup>. However, a number of United States municipalities and States, and the Federal Government, operate partial public financing programs.

2. Attachments I and II to this report were provided by Ms. Starkman. Attachment I explains (a) the alternative available funding sources for the proposed public financing program, (b) the projected costs of partial public financing of the election campaigns which will be held in FYs 1999-2000, 2001-2002, and 2003-2004, and (c) the projected costs to the Ethics Commission of administering the proposed public financing program. Attachment II provides more detailed projections for the cost of a public financing program under different scenarios.

3. Although the Ethics Commission proposes funding the subject program from General Fund revenues, it has conducted research on the following alternative methods of funding the program: (a) a surcharge on City-imposed business taxes, (b) a surcharge on City-imposed property taxes, and (c) voluntary taxpayer contributions. Attachment I, Part II, explains the issues associated with these alternative funding options.

4. According to Ms. Julia Moll of the City Attorney's Office, the proposed ordinance would provide authority for the Mayor and the Board of Supervisors to appropriate sufficient monies to (a) an Election Campaign Fund established under the proposed ordinance to partially defray the election campaign costs of all eligible candidates, and to (b) the Ethics Commission for administration costs related to the public financing program. However, according to Ms. Moll, such appropriations could only be required by a voter-approved Charter amendment. Ms. Moll states that this is because only voter-approved Charter amendments, rather than ordinances, can limit the discretion of the Board of Supervisors and the Mayor regarding annual appropriations. Ms. Moll states that if the Mayor and the

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<sup>2</sup> The four States which have approved full public financing programs are Arizona, Maine, Massachusetts, and Vermont.



Board of Supervisors do not appropriate sufficient funds, the public financing program would not operate.

5. The maximum amount of public funds that a candidate for the Board of Supervisors could receive under the proposed public financing program would be \$45,000 per general election and \$17,000 per run-off election from the proposed Election Campaign Fund. In FY 2000-2001, the Ethics Commission projects that the proposed Election Campaign Fund would require a General Fund appropriation for the November 7, 2000 general election of (a) a range between \$990,000 and \$1,980,000 for the 11 Board of Supervisors districts being contested, and (b) a range between \$17,000 and \$748,000 for related runoff elections, for (c) a total appropriation ranging between \$1,007,000 and \$2,728,000. These ranges assume, in terms of eligibility for partial public financing of election campaigns, that there are between two and four eligible candidates per district in the general election, and either one or two eligible candidates per district in the run-off elections. Attachment II, Tables 1 to 3, provides public financing program cost estimates for a range of November 7, 2000 election scenarios.

6. Depending on the outcome of a lottery held during the first meeting of the new Board of Supervisors in 2001, either:

- the five even-numbered Board of Supervisor districts will be contested in 2002 and every four years subsequently, and the six odd-numbered Board of Supervisor districts will be contested in 2004 and every four years subsequently; or
- the six odd-numbered Board of Supervisor districts will be contested in 2002 and every four years subsequently, and the five even-numbered Board of Supervisor districts will be contested in 2004 and every four years subsequently.

7. For a five district election, the proposed public financing campaign would have an estimated cost range of (a) between \$450,000 and \$900,000 for the general election, and (b) between \$17,000 and \$340,000 for run-off elections, for (c) a total cost range of between \$467,000



and \$1,240,000 (see Attachment II, Table 4). Again, these ranges assume, in terms of eligibility for partial public financing of election campaigns, that there are between two and four eligible candidates per district in the general election, and either one or two eligible candidates per district in the run-off elections.

8. For a six district election, the proposed public financing campaign would have an estimated cost range of (a) between \$540,000 and \$1,080,000 for the general election, and (b) between \$17,000 and \$408,000 for run-off elections, for (c) a total cost range of between \$557,000 and \$1,488,000 (see Attachment II, Table 5). The same assumptions used in Comments No. 5 and 7 apply.

9. Under the proposed ordinance, the Ethics Commission would incur additional costs to administer the public financing program which would require it to perform a number of additional functions:

- Adoption of regulations to implement the proposed ordinance and specification of all forms and statements required to be filed under the proposed ordinance;
- Determination of the annual and supplemental appropriation needs of (a) the Election Campaign Fund, and (b) the Ethics Commission for administration of the public financing program;
- Certification of candidates' eligibility to receive public funds and, in the case of non-certification, reviewing appeals;
- Processing of reports filed by (a) candidates who do not receive public funds but who do receive or expend funds over a specified threshold, and (b) committees which make election campaign contributions over specified thresholds<sup>3</sup>;
- Audits of all candidates who receive public funds under the proposed ordinance;
- Investigation of alleged violations of the proposed ordinance;

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<sup>3</sup> The reports required by the proposed ordinance are in addition to the campaign disclosure requirements imposed by the California Political Reform Act and the San Francisco Campaign Finance Reform Ordinance.

- Imposition of administrative penalties for violators of the proposed ordinance; and
- Reports to the Mayor and Board of Supervisors after each election on the public financing program.

According to Ms. Starkman, the Ethics Commission would need to employ at least two additional full-time employees to implement and administer the above functions at a total estimated cost of \$100,000 per year (inclusive of mandatory fringe benefits). The Ethics Commission states that it might also need to employ a clerical employee during the first six months of the program at a total estimated cost of \$17,000. Annual non-salary operating costs are estimated to be an additional \$20,000 per year. The total estimated cost in the first year would therefore be approximately \$137,000 (as shown in Attachment I, Table 2).

10. According to Ms. Ginny Vida of the Ethics Commission, the Ethics Commission has not included in its FY 2000-2001 budget request any additional funding for the new Ethics Commission functions related to the proposed public financing program. Ms. Vida states that if the proposed public financing program is approved, then the Ethics Commission would request additional FY 2000-2001 funding through a supplemental appropriation.

11. Equipment purchased by candidates with public funds which is worth at least \$100 and has continued useful life would become City property after the election. Candidates who receive public funds but who withdraw or fail to qualify for the ballot would be required to repay the full amount of public funds received. Candidates who have surplus public funds, or who have received amounts in excess of their entitlement, would be required to return the unexpended or excess funds to the Election Campaign Fund. Under the proposed ordinance, candidates who were required to repay monies would not be required to pay interest on those repayments.

12. Violators of the proposed ordinance could be subject to administrative, civil, and criminal penalties if they (a) willfully, knowingly, or negligently misuse public funds, or (b) provide false or misleading information to, or

Memo to Finance and Labor Committee  
April 5, 2000 Finance and Labor Committee Meeting

conceal information from, the Ethics Commission in relation to the subject public financing program. Violators could be liable to pay a fine of up to \$5,000 (or, in the case of (a), three times the amount improperly spent, whichever is greater), or could be imprisoned for up to six months, or both.

**Recommendation:**

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



for Harvey M. Rose

cc: Supervisor Yee  
Supervisor Bierman  
President Ammiano  
Supervisor Becerril  
Supervisor Brown  
Supervisor Katz  
Supervisor Kaufman  
Supervisor Leno  
Supervisor Newsom  
Supervisor Teng  
Supervisor Yaki  
Clerk of the Board  
Controller  
Legislative Analyst  
Erin McGrath  
Stephen Kawa  
Ted Lakey




# ETHICS COMMISSION CITY AND COUNTY OF SAN FRANCISCO

ISABELLA H. GRANT  
CHAIRPERSON

Date: March 7, 2000

To: Alan Gibson  
Office of the Budget Analyst

From: Naomi Starkman   
Deputy Executive Director

Re: Projected Costs of the Ethics Commission's Proposal for Public Financing of  
Election Campaigns

HENRI E. NORRIS  
VICE-CHAIRPERSON

ROBERT D.  
DOCKENDORFF  
COMMISSIONER

CAROL M. KINGSLEY  
COMMISSIONER

PAUL H. MELBOSTAD  
COMMISSIONER

VIRGINIA E. VIDA  
EXECUTIVE DIRECTOR

## I. Introduction

Your office has asked the Ethics Commission to determine the costs associated with the Commission's proposal for public financing of election campaigns. The purpose of this memorandum is to: 1) summarize the funding alternatives associated with the public financing program; 2) estimate the projected budget of the proposed Election Campaign Fund; and 3) estimate the costs to the Ethics Commission associated with administration of the program.

## II. Funding Sources

Although the Commission's proposal contemplates funding the public financing program through the City's General Fund, the Commission asked its staff to research funding alternatives for the program. The results of the staff's research are discussed in a February 16, 2000 memorandum to the Board of Supervisors entitled, "Report on Funding Alternatives to the General Fund for a Public Financing Program," and are summarized below.

### 1. Comparative Information of other Public Finance Programs

Prior to making its recommendation to the Board of Supervisors, Commission staff studied four cities that have partial public financing of campaigns: Los Angeles, New York City, Long Beach and Tucson. In addition, the City of Oakland recently approved a public financing program. All five municipalities fund their public finance programs through their City's General Fund. Based on the successful experiences of these jurisdictions, the Commission proposes to fund San Francisco's public financing program through the City's General Fund.

Staff also reviewed the laws of several states that have enacted (but have yet to implement) full public financing of campaigns: Arizona, Maine, Vermont and Massachusetts. The Commission did not discuss in detail any of the alternative funding options contemplated in these jurisdictions.

Arizona funds its program through the following sources: 1) a \$100 annual fee imposed on registered lobbyists representing for-profit interests; 2) an additional surcharge of ten percent imposed on all civil and criminal fines and penalties; 3) a five-dollar voluntary contribution check-off on tax return forms; and 4) voluntary donations and tax credits, not to exceed \$500 or 20 percent of a resident's annual state income tax liability, whichever is greater

Alan Gibson  
Office of the Budget Analyst  
March 7, 2000  
Page 2

Maine has a special, dedicated, non-lapsing Fund and any interest generated by the Fund is credited to the Fund. The following sources of funding must be deposited in the Fund: 1) \$2 million in revenues from sales and use taxes and income taxes and credited to the General Fund; 2) a tax check-off program allowing Maine residents to designate \$3 be paid into the Fund; and 3) late filing penalties and penalties for violations of the Maine Clean Elections Act. The Massachusetts Clean Election Fund receives its funding from voluntary check-off on the state income tax forms and from appropriations by the state legislature. Funds are capped at one tenth of one percent of the state budget.

Vermont does not set aside an amount for its Campaign Finance Fund. The Fund's revenue sources include: 1) grant funds unused by publicly funded candidates; 2) penalties and fines levied for violations of all sections of the campaign finance law; 3) 40 percent of the amounts paid as annual report fees by domestic corporations under Vermont law and 33 percent of the amounts paid as annual report fees by foreign corporations under Vermont law; 4) all amounts collected from the tax on lobbying expenditures imposed under Vermont law; 5) any gifts received by the fund; 6) any amounts appropriate to the Vermont campaign fund by act of the general assembly; and 7) all principal and interest of the Fund.

Staff also reviewed the federal public finance program. Eligible presidential candidates running in the primary election receive partial public financing and the candidates who are nominated for the general election receive a full grant of public funds. Funding for the federal program comes from the \$3 check-off that appears on federal income tax forms. While disbursements from the fund are indexed to inflation, the \$3 tax check-off is not.

## 2. Surcharges on City-Imposed Taxes

Although the Commission did not contemplate funding the program through a surcharge, the staff discussed this option with Chief Assistant Treasurer Jay Banfield and Controller Edward Harrington. According to Chief Assistant Treasurer Banfield, the City collects business taxes and property taxes. Business taxes include receipts and payroll taxes; hotel tax; parking tax; stadium operator tax; and a transient occupancy tax. Property taxes include secured tax; unsecured tax, supplemental property transfer tax; and a utility users tax.

The City could consider the possibility of a surcharge on the following business fees/taxes: business registration license fees (which produce \$10 million/year), parking violation fines and parking taxes. The City could also consider setting aside a portion of the City's property tax (which produces \$600 million/year). According to Controller Harrington, the utility users tax, which is paid only by commercial users, yields about \$60 million per year. A two percent surcharge on the utility users tax would produce about \$1.2 million per year. However, much of the revenue from property taxes is already committed to funding certain City programs.

The California Constitution requires San Francisco voter approval for any tax increase to general taxes or special taxes. The City may not impose, extend, or increase any general tax unless the tax is submitted to the electorate and approved by a majority vote. The City may not impose, extend, or increase any special tax (for example, for a public financing program) unless the tax is submitted to the electorate and approved by a two-thirds vote. (See Cal. Constitution Article 13(C)(2).) According to Controller Harrington, because a fee is only allowed to recover the costs of providing a service, a surcharge on a fee would probably be considered a tax subject to voter approval.



### 3. Voluntary Contributions

As another alternative source of funding, the City could also solicit contributions from taxpayers for the public financing program. The City currently solicits contributions from taxpayers to fund youth and children services. (See S.F. Admin. Code Chapter 51A.)

The City could request voluntary contributions through voter registration cards, voter information pamphlets and other materials distributed by the Ethics Commission or the Department of Elections. The revenue from these contributions could be set aside in the Election Campaign Fund, which is specifically designed for disbursing public funds to eligible candidates.

However, based on the data gathered by staff and conversations with representatives of jurisdictions that have voluntary contributions, such programs have proven unsuccessful. For example, public participation in the federal tax check-off has gradually decreased in recent years from a high of 28 percent in 1980 to less than 12 percent in 1997.

### **III. Projected Election Campaign Fund Budget**

The projected budget for the proposed Election Campaign Fund depends on the number of vacant seats per district and the number of candidates that qualify for public financing and whether run-off elections are required.

In the 2000 general election, all 11 seats for the Board of Supervisors will be vacant. After the 2000 general election, the clerk of the Board of Supervisors will determine by lot whether the supervisors elected from the even or odd-numbered districts will have terms expiring in two or four years. (See Charter Section 13.110(f).) Accordingly, there will be either five or six vacant seats in 2002 and 2004. For purposes of this memorandum, it is assumed that there will be five vacant seats in the 2002 general election and six vacant seats in the 2004 general election.

Because it is difficult to predict a minimum or maximum cost of the program, the Commission staff developed assumptions as to how many candidates will participate in the program in the next three general elections. (See Attachment 1: Cost Projections for Public Financing Proposal.) The attachment assumes that at least two candidates per district will receive public financing in the general election and at least one candidate per district will receive public financing in the run-off election. Based on these assumptions, the staff estimated a range of projected costs for all three elections, as described below in Table 1.

Table 1

Year	Range of Costs
2000	\$1,007,000 - \$2,728,000
2002	\$467,000 - \$1,240,000
2004	\$557,000 - \$1,488,000

### **IV. Projected Administrative Costs to the Ethics Commission**

The administrative costs associated with the program depend, in part, on the number of candidates that apply for public financing. The number of candidates in a particular election will affect the amount of time staff will spend on the certification and appeals process and the total number of audits to be performed. Most of the administrative costs are projected for personnel needs. It is important to note that with a full-time staff of seven, the Ethics Commission is not able to fulfill all of its current Charter mandates. For this



Alan Gibson  
Office of the Budget Analyst  
March 7, 2000  
Page 4

reason, it is imperative that the Commission obtain additional staff to administer the public finance program.

The Commission estimates that it will need at least two additional full-time professional employees to implement and administer the program.<sup>1</sup> However, the cost to the Ethics Commission might be greater at the outset of the program, considering the short timeframe contemplated for enactment of the proposal. It may be necessary to hire three full-time employees (two professional employees and one clerical employee) for a period of six months in order to implement the proposal and thereafter reduce the total number of additional staff to two. In addition, the Commission estimates that there will be non-personnel costs associated with the program, such as resources for additional personnel and costs for materials and mailings. The estimated administrative costs are described below in Table 2.

Table 2

Item	Amount
Salaries of 2 FT professional employees <sup>2</sup>	\$100,000
Salary of 1 FT clerical employee @ 6 months	\$17,000
Non-personnel costs	\$20,000
Total	\$137,000

If the proposal is implemented in this fiscal year, the Commission would be required to request a supplemental appropriation for its FY 2000-2001 budget. Some initial start-up costs, such as drafting regulations, manuals and forms, may be required to be absorbed by the Commission's current budget.

The proposal has fiscal implications for other City departments, including the offices of the Controller and the City Attorney. The proposal provides that the Commission may request the assistance of the Controller in the review process and requires the Controller to disburse payments to candidates from the Fund. The proposal also provides that the Controller assist in conducting audits of all candidates who receive public financing. The City Attorney's Office, which is the legal advisor to the Ethics Commission, would assist the Commission staff in drafting implementing regulations.

The staff gathered information about the administrative costs in jurisdictions that have partial public financing programs. It is important to note that most of the jurisdictions provide public financing to candidates running for several elected offices, such as the office of Mayor, City Attorney, District Attorney and/or Controller. The Ethics Commission proposes providing funding only to candidates for the Board of Supervisors. Also, please note that some of the cities that have public finance programs have agencies that only handle campaign finance issues, such as the New York City Campaign Finance Board. The San Francisco Ethics Commission handles a variety of issues, including, but not limited to, campaign finance laws.

The Los Angeles City Ethics Commission, which like the San Francisco Ethics Commission administers a variety of programs, could not provide specific information regarding overall administrative costs of its public finance program. In addition to the several auditors who audit publicly financed candidates, Los Angeles employed roughly 1 ½ Analysts in the most recent election to administer the program for four

<sup>1</sup> One employee would administer the program, including creating all necessary forms, manuals and training materials, giving advice and reviewing all submitted documentation. The other employee would work with the Controller's office to conduct audits of all participating candidates.

<sup>2</sup> This amount includes mandatory fringe benefits.

Alan Gibson  
Office of the Budget Analyst  
March 7, 2000  
Page 5

months at a cost of \$18,000.<sup>3</sup> The New York City Campaign Finance Board was not able to provide specific information regarding the administrative costs of its public financing program. The Board's total budget is estimated at \$3 million, including \$2 million in personnel costs for its 47 staff members. The City of Long Beach could not provide an estimate regarding the cost of administration of its program. The City of Tucson provided staff with some information regarding the cost of auditing participating candidates, which it estimated were \$14,725 in 1997, but it did not have specific information about overall administrative costs. The City of Oakland recently passed a public financing proposal which sets aside 7.5 percent of that city's Election Campaign Fund of \$230,000 for the cost of administration to the Oakland City Ethics Commission and the City Auditor, or \$17,250.

I hope you find this memo responsive to your inquiries. If you have questions, or need additional information, please contact me at (415) 554-9510.

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<sup>3</sup> This amount does not include auditing costs or costs associated with training, the issuance of advice, or materials. More importantly, these figures change on an annual basis, depending on the number of candidates running for office and the number of participants in the public financing program. The Los Angeles Ethics Commission could not estimate the costs incurred by the Controller with respect to releasing public funds to candidates

Cost Projections for Public Financing Proposal  
of San Francisco Ethics Commission

<b>Table No. 1: General Election Costs</b>					
Scenario	No. of Vacant Seats	Average No. of Participating Candidates per District	Projected Cost to City per Candidate	Projected Cost to City per Election	
G-1 (2000)	11	2	\$45,000	\$990,000	
G-2 (2000)	11	3	\$45,000	\$1,485,000	
G-3 (2000)	11	4	\$45,000	\$1,980,000	
G-4 (2002)	5	2	\$45,000	\$450,000	
G-5 (2002)	5	3	\$45,000	\$675,000	
G-6 (2002)	5	4	\$45,000	\$900,000	
G-7 (2004)	6	2	\$45,000	\$540,000	
G-8 (2004)	6	3	\$45,000	\$810,000	
G-9 (2004)	6	4	\$45,000	\$1,080,000	

<b>Table No. 2: Runoff Election Costs</b>					
	No. of Districts with Runoff Elections	No. of Participating Candidates	Projected Cost to City per Candidate	Projected Cost to City per Election	
R-1	11	2	\$34,000	\$748,000	
R-2	11	1	\$17,000	\$187,000	
R-3	10	2	\$34,000	\$680,000	
R-4	10	1	\$17,000	\$170,000	
R-5	9	2	\$34,000	\$612,000	
R-6	9	1	\$17,000	\$153,000	
R-7	8	2	\$34,000	\$544,000	
R-8	8	1	\$17,000	\$136,000	
R-9	7	2	\$34,000	\$476,000	
R-10	7	1	\$17,000	\$119,000	
R-11	6	2	\$34,000	\$408,000	
R-12	6	1	\$17,000	\$102,000	
R-13	5	2	\$34,000	\$340,000	
R-14	5	1	\$17,000	\$85,000	
R-15	4	2	\$34,000	\$272,000	
R-16	4	1	\$17,000	\$68,000	
R-17	3	2	\$34,000	\$204,000	
R-18	3	1	\$17,000	\$51,000	
R-19	2	2	\$34,000	\$136,000	
R-20	2	1	\$17,000	\$34,000	
R-21	1	2	\$34,000	\$68,000	
R-22	1	1	\$17,000	\$17,000	

Key: G = General Election  
R = Runoff Election

**Table 3: Range of Costs for 2000 Election\***

Scenario #	General Election Scenario	Runoff Election Scenario	Projected Cost of Year 2000 General Election	Projected Cost of Year 2000 Runoff Elections	Projected Costs of General and Runoff, Year 2000 Election
1	G-1 (2 candidates/11 offices)	R-1 (11 runoffs/2 candidates)	\$990,000	\$748,000	\$1,738,000
2	G-1 (2 candidates/11 offices)	R-2 (11 runoffs/1 candidate)	\$990,000	\$187,000	\$1,177,000
3	G-1 (2 candidates/11 offices)	R-3 (10 runoffs/2 candidates)	\$990,000	\$680,000	\$1,670,000
4	G-1 (2 candidates/11 offices)	R-4 (10 runoffs/1 candidate)	\$990,000	\$170,000	\$1,160,000
5	G-1 (2 candidates/11 offices)	R-5 (9 runoffs/2 candidates)	\$990,000	\$612,000	\$1,602,000
6	G-1 (2 candidates/11 offices)	R-6 (9 runoffs/1 candidate)	\$990,000	\$153,000	\$1,143,000
7	G-1 (2 candidates/11 offices)	R-7 (8 runoffs/2 candidates)	\$990,000	\$544,000	\$1,534,000
8	G-1 (2 candidates/11 offices)	R-8 (8 runoffs/1 candidate)	\$990,000	\$136,000	\$1,126,000
9	G-1 (2 candidates/11 offices)	R-9 (7 runoffs/2 candidates)	\$990,000	\$476,000	\$1,466,000
10	G-1 (2 candidates/11 offices)	R-10 (7 runoffs/1 candidate)	\$990,000	\$119,000	\$1,109,000
11	G-1 (2 candidates/11 offices)	R-11 (6 runoffs/2 candidates)	\$990,000	\$408,000	\$1,398,000
12	G-1 (2 candidates/11 offices)	R-12 (6 runoffs/1 candidate)	\$990,000	\$102,000	\$1,092,000
13	G-1 (2 candidates/11 offices)	R-13 (5 runoffs/2 candidates)	\$990,000	\$340,000	\$1,330,000
14	G-1 (2 candidates/11 offices)	R-14 (5 runoffs/1 candidate)	\$990,000	\$85,000	\$1,075,000
15	G-1 (2 candidates/11 offices)	R-15 (4 runoffs/2 candidates)	\$990,000	\$272,000	\$1,262,000
16	G-1 (2 candidates/11 offices)	R-16 (4 runoffs/1 candidate)	\$990,000	\$68,000	\$1,058,000
17	G-1 (2 candidates/11 offices)	R-17 (3 runoffs/2 candidates)	\$990,000	\$204,000	\$1,194,000
18	G-1 (2 candidates/11 offices)	R-18 (3 runoffs/1 candidate)	\$990,000	\$51,000	\$1,041,000
19	G-1 (2 candidates/11 offices)	R-19 (2 runoffs/2 candidates)	\$990,000	\$136,000	\$1,126,000
20	G-1 (2 candidates/11 offices)	R-20 (2 runoffs/1 candidate)	\$990,000	\$34,000	\$1,024,000
21	G-1 (2 candidates/11 offices)	R-21 (1 runoff/2 candidates)	\$990,000	\$68,000	\$1,058,000
22	G-1 (2 candidates/11 offices)	R-22 (1 runoff/1 candidate)	\$990,000	\$17,000	\$1,007,000

\* All 11 seats are vacant.



**Table 3: Range of Costs for 2000 Election\***

Scenario #	General Election Scenario	Runoff Election Scenario	Projected Cost of Year 2000 General Election	Projected Cost of Year 2000 Runoff Elections	Projected Costs of General and Runoff, Year 2000 Election
23	G-2 (3 candidates/11 offices)	R-1 (11 runoffs/2 candidates)	\$1,485,000	\$748,000	\$2,233,000
24	G-2 (3 candidates/11 offices)	R-2 (11 runoffs/1 candidate)	\$1,485,000	\$187,000	\$1,672,000
25	G-2 (3 candidates/11 offices)	R-3 (10 runoffs/2 candidates)	\$1,485,000	\$680,000	\$2,165,000
26	G-2 (3 candidates/11 offices)	R-4 (10 runoffs/1 candidate)	\$1,485,000	\$170,000	\$1,655,000
27	G-2 (3 candidates/11 offices)	R-5 (9 runoffs/2 candidates)	\$1,485,000	\$612,000	\$2,097,000
28	G-2 (3 candidates/11 offices)	R-6 (9 runoffs/1 candidate)	\$1,485,000	\$153,000	\$1,638,000
29	G-2 (3 candidates/11 offices)	R-7 (8 runoffs/2 candidates)	\$1,485,000	\$544,000	\$2,029,000
30	G-2 (3 candidates/11 offices)	R-8 (8 runoffs/1 candidate)	\$1,485,000	\$136,000	\$1,621,000
31	G-2 (3 candidates/11 offices)	R-9 (7 runoffs/2 candidates)	\$1,485,000	\$476,000	\$1,961,000
32	G-2 (3 candidates/11 offices)	R-10 (7 runoffs/1 candidate)	\$1,485,000	\$119,000	\$1,604,000
33	G-2 (3 candidates/11 offices)	R-11 (6 runoffs/2 candidates)	\$1,485,000	\$408,000	\$1,893,000
34	G-2 (3 candidates/11 offices)	R-12 (6 runoffs/1 candidate)	\$1,485,000	\$102,000	\$1,587,000
35	G-2 (3 candidates/11 offices)	R-13 (5 runoffs/2 candidates)	\$1,485,000	\$340,000	\$1,825,000
36	G-2 (3 candidates/11 offices)	R-14 (5 runoffs/1 candidate)	\$1,485,000	\$85,000	\$1,570,000
37	G-2 (3 candidates/11 offices)	R-15 (4 runoffs/2 candidates)	\$1,485,000	\$272,000	\$1,757,000
38	G-2 (3 candidates/11 offices)	R-16 (4 runoffs/1 candidate)	\$1,485,000	\$68,000	\$1,553,000
39	G-2 (3 candidates/11 offices)	R-17 (3 runoffs/2 candidates)	\$1,485,000	\$204,000	\$1,689,000
40	G-2 (3 candidates/11 offices)	R-18 (3 runoffs/1 candidate)	\$1,485,000	\$51,000	\$1,536,000
41	G-2 (3 candidates/11 offices)	R-19 (2 runoffs/2 candidates)	\$1,485,000	\$136,000	\$1,621,000
42	G-2 (3 candidates/11 offices)	R-20 (2 runoffs/1 candidate)	\$1,485,000	\$34,000	\$1,519,000
43	G-2 (3 candidates/11 offices)	R-21 (1 runoff/2 candidates)	\$1,485,000	\$68,000	\$1,553,000
44	G-2 (3 candidates/11 offices)	R-22 (1 runoff/1 candidate)	\$1,485,000	\$17,000	\$1,502,000

\* All 11 seats are vacant.

p. 3 of 3

**Table 3: Range of Costs for 2000 Election\***

Scenario #	General Election Scenario	Runoff Election Scenario	Projected Cost of Year 2000 General Election	Projected Cost of Year 2000 Runoff Elections	Projected Costs of General and Runoff, Year 2000 Election
45	G-3 (4 candidates/11 offices)	R-1 (11 runoffs/2 candidates)	\$1,980,000	\$748,000	\$2,728,000
46	G-3 (4 candidates/11 offices)	R-2 (11 runoffs/1 candidate)	\$1,980,000	\$187,000	\$2,167,000
47	G-3 (4 candidates/11 offices)	R-3 (10 runoffs/2 candidates)	\$1,980,000	\$680,000	\$2,660,000
48	G-3 (4 candidates/11 offices)	R-4 (10 runoffs/1 candidate)	\$1,980,000	\$170,000	\$2,150,000
49	G-3 (4 candidates/11 offices)	R-5 (9 runoffs/2 candidates)	\$1,980,000	\$612,000	\$2,592,000
50	G-3 (4 candidates/11 offices)	R-6 (9 runoffs/1 candidate)	\$1,980,000	\$153,000	\$2,133,000
51	G-3 (4 candidates/11 offices)	R-7 (8 runoffs/2 candidates)	\$1,980,000	\$544,000	\$2,524,000
52	G-3 (4 candidates/11 offices)	R-8 (8 runoffs/1 candidate)	\$1,980,000	\$136,000	\$2,116,000
53	G-3 (4 candidates/11 offices)	R-9 (7 runoffs/2 candidates)	\$1,980,000	\$476,000	\$2,456,000
54	G-3 (4 candidates/11 offices)	R-10 (7 runoffs/1 candidate)	\$1,980,000	\$119,000	\$2,099,000
55	G-3 (4 candidates/11 offices)	R-11 (6 runoffs/2 candidates)	\$1,980,000	\$408,000	\$2,388,000
56	G-3 (4 candidates/11 offices)	R-12 (6 runoffs/1 candidate)	\$1,980,000	\$102,000	\$2,082,000
57	G-3 (4 candidates/11 offices)	R-13 (5 runoffs/2 candidates)	\$1,980,000	\$340,000	\$2,320,000
58	G-3 (4 candidates/11 offices)	R-14 (5 runoffs/1 candidate)	\$1,980,000	\$85,000	\$2,065,000
59	G-3 (4 candidates/11 offices)	R-15 (4 runoffs/2 candidates)	\$1,980,000	\$272,000	\$2,252,000
60	G-3 (4 candidates/11 offices)	R-16 (4 runoffs/1 candidate)	\$1,980,000	\$68,000	\$2,048,000
61	G-3 (4 candidates/11 offices)	R-17 (3 runoffs/2 candidates)	\$1,980,000	\$204,000	\$2,184,000
62	G-3 (4 candidates/11 offices)	R-18 (3 runoffs/1 candidate)	\$1,980,000	\$51,000	\$2,031,000
63	G-3 (4 candidates/11 offices)	R-19 (2 runoffs/2 candidates)	\$1,980,000	\$136,000	\$2,116,000
64	G-3 (4 candidates/11 offices)	R-20 (2 runoffs/1 candidate)	\$1,980,000	\$34,000	\$2,014,000
65	G-3 (4 candidates/11 offices)	R-21 (1 runoff/2 candidates)	\$1,980,000	\$68,000	\$2,048,000
66	G-3 (4 candidates/11 offices)	R-22 (1 runoff/1 candidate)	\$1,980,000	\$17,000	\$1,997,000

\* All 11 seats are vacant.



p. 1 of 2

Table 4: Range of Costs for 2002 Election*					
Scenario #	General Election Scenario	Runoff Election Scenario **	Projected Cost of Year 2002 General Election	Projected Cost of Year 2002 Runoff Elections	Combined Projected Costs of General and Runoff, Year 2002 Election
1	G-4 (2 candidates/5 offices)	R-13 (5 runoff/2 candidates)	\$450,000	\$340,000	\$790,000
2	G-4 (2 candidates/5 offices)	R-14 (5 runoff/1 candidate)	\$450,000	\$85,000	\$535,000
3	G-4 (2 candidates/5 offices)	R-15 (4 runoff/2 candidates)	\$450,000	\$272,000	\$722,000
4	G-4 (2 candidates/5 offices)	R-16 (4 runoff/1 candidate)	\$450,000	\$68,000	\$518,000
5	G-4 (2 candidates/5 offices)	R-17 (3 runoff/2 candidates)	\$450,000	\$204,000	\$654,000
6	G-4 (2 candidates/5 offices)	R-18 (3 runoff/1 candidate)	\$450,000	\$51,000	\$501,000
7	G-4 (2 candidates/5 offices)	R-19 (2 runoff/2 candidates)	\$450,000	\$136,000	\$586,000
8	G-4 (2 candidates/5 offices)	R-20 (2 runoff/1 candidate)	\$450,000	\$34,000	\$484,000
9	G-4 (2 candidates/5 offices)	R-21 (1 runoff/2 candidates)	\$450,000	\$68,000	\$518,000
10	G-4 (2 candidates/5 offices)	R-22 (1 runoff/1 candidate)	\$450,000	\$17,000	\$467,000
12	G-5 (3 candidates/5 offices)	R-13 (5 runoff/2 candidates)	\$675,000	\$340,000	\$1,015,000
13	G-5 (3 candidates/5 offices)	R-14 (5 runoff/1 candidate)	\$675,000	\$85,000	\$760,000
14	G-5 (3 candidates/5 offices)	R-15 (4 runoff/2 candidates)	\$675,000	\$272,000	\$947,000
15	G-5 (3 candidates/5 offices)	R-16 (4 runoff/1 candidate)	\$675,000	\$68,000	\$743,000
16	G-5 (3 candidates/5 offices)	R-17 (3 runoff/2 candidates)	\$675,000	\$204,000	\$879,000

\* Assumes 5 vacant seats.

\*\* Scenarios R-1 to R-12 do not apply because they represent runoffs for more than five districts.

p. 2 of 2

Table 4: Range of Costs for 2002 Election*					
Scenario #	General Election Scenario	Runoff Election Scenario **	Projected Cost of Year 2002 General Election	Projected Cost of Year 2002 Runoff Elections	Combined Projected Costs of General and Runoff, Year 2002 Election
17	G-5 (3 candidates/5 offices)	R-18 (3 runoffs/1 candidate)	\$675,000	\$51,000	\$726,000
18	G-5 (3 candidates/5 offices)	R-19 (2 runoffs/2 candidates)	\$675,000	\$136,000	\$811,000
19	G-5 (3 candidates/5 offices)	R-20 (2 runoffs/1 candidate)	\$675,000	\$34,000	\$709,000
20	G-5 (3 candidates/5 offices)	R-21 (1 runoff/2 candidates)	\$675,000	\$68,000	\$743,000
21	G-5 (3 candidates/5 offices)	R-22 (1 runoff/1 candidate)	\$675,000	\$17,000	\$692,000
23	G-6 (4 candidates/5 offices)	R-13 (5 runoffs/2 candidates)	\$900,000	\$340,000	\$1,240,000
24	G-6 (4 candidates/5 offices)	R-14 (5 runoffs/1 candidate)	\$900,000	\$85,000	\$985,000
25	G-6 (4 candidates/5 offices)	R-15 (4 runoffs/2 candidates)	\$900,000	\$272,000	\$1,172,000
26	G-6 (4 candidates/5 offices)	R-16 (4 runoffs/1 candidate)	\$900,000	\$68,000	\$968,000
27	G-6 (4 candidates/5 offices)	R-17 (3 runoffs/2 candidates)	\$900,000	\$204,000	\$1,104,000
28	G-6 (4 candidates/5 offices)	R-18 (3 runoffs/1 candidate)	\$900,000	\$51,000	\$951,000
29	G-6 (4 candidates/5 offices)	R-19 (2 runoffs/2 candidates)	\$900,000	\$136,000	\$1,036,000
30	G-6 (4 candidates/5 offices)	R-20 (2 runoffs/1 candidate)	\$900,000	\$34,000	\$934,000
31	G-6 (4 candidates/5 offices)	R-21 (1 runoff/2 candidates)	\$900,000	\$68,000	\$968,000
32	G-6 (4 candidates/5 offices)	R-22 (1 runoff/1 candidate)	\$900,000	\$17,000	\$917,000

\* Assumes 5 vacant seats.

\*\* Scenarios R-1 to R-12 do not apply because they represent runoffs for more than five districts.

p. 1 of 3

Table 5: Range of Costs for 2004 Election*					
Scenario #	General Election Scenario	Runoff Election Scenarios**	Projected Cost of Year 2004 General Election	Projected Cost of Year 2004 Runoff Elections	Combined Projected Costs of General and Runoff, Year 2004 Election
1	G-7 (2 candidates/6 offices)	R-11 (6 runoffs/ 2 candidates)	\$540,000	\$408,000	\$948,000
2	G-7 (2 candidates/6 offices)	R-12 (6 runoffs/1 candidate)	\$540,000	\$102,000	\$642,000
3	G-7 (2 candidates/6 offices)	R-13 (5 runoffs/2 candidates)	\$540,000	\$340,000	\$880,000
4	G-7 (2 candidates/6 offices)	R-14 (5 runoffs/1 candidate)	\$540,000	\$85,000	\$625,000
5	G-7 (2 candidates/6 offices)	R-15 (4 runoffs/2 candidates)	\$540,000	\$272,000	\$812,000
6	G-7 (2 candidates/6 offices)	R-16 (4 runoffs/1 candidate)	\$540,000	\$68,000	\$608,000
7	G-7 (2 candidates/6 offices)	R-17 (3 runoffs/2 candidates)	\$540,000	\$204,000	\$744,000
8	G-7 (2 candidates/6 offices)	R-18 (3 runoffs/1 candidate)	\$540,000	\$51,000	\$591,000
9	G-7 (2 candidates/6 offices)	R-19 (2 runoffs/2 candidates)	\$540,000	\$136,000	\$676,000
10	G-7 (2 candidates/6 offices)	R-20 (2 runoffs/1 candidate)	\$540,000	\$34,000	\$574,000
11	G-7 (2 candidates/6 offices)	R-21 (1 runoff/2 candidates)	\$540,000	\$68,000	\$608,000
12	G-7 (2 candidates/6 offices)	R-22 (1 runoff/1 candidate)	\$540,000	\$17,000	\$557,000
14	G-8 (3 candidates/6 offices)	R-11** (6 runoffs/ 2 candidates)	\$810,000	\$408,000	\$1,218,000
15	G-8 (3 candidates/6 offices)	R-12 (6 runoffs/1 candidate)	\$810,000	\$102,000	\$912,000
16	G-8 (3 candidates/6 offices)	R-13 (5 runoffs/2 candidates)	\$810,000	\$340,000	\$1,150,000

\* Assumes 6 vacant seats.

\*\* Scenarios R-1 to R-10 do not apply because they represent runoffs for more than six districts.

p. 2 of 3

Scenario #	General Election Scenario	Runoff Election Scenarios**	Projected Cost of Year 2004 General Election	Projected Cost of Year 2004 Runoff Elections	Combined Projected Costs of General and Runoff, Year 2004 Election
17	G-8 (3 candidates/6 offices)	R-14 (5 runoffs/1 candidate)	\$810,000	\$85,000	\$895,000
18	G-8 (3 candidates/6 offices)	R-15 (4 runoffs/2 candidates)	\$810,000	\$272,000	\$1,082,000
19	G-8 (3 candidates/6 offices)	R-16 (4 runoffs/1 candidate)	\$810,000	\$68,000	\$878,000
20	G-8 (3 candidates/6 offices)	R-17 (3 runoffs/2 candidates)	\$810,000	\$204,000	\$1,014,000
21	G-8 (3 candidates/6 offices)	R-18 (3 runoffs/1 candidate)	\$810,000	\$51,000	\$861,000
22	G-8 (3 candidates/6 offices)	R-19 (2 runoffs/2 candidates)	\$810,000	\$136,000	\$946,000
23	G-8 (3 candidates/6 offices)	R-20 (2 runoffs/1 candidate)	\$810,000	\$34,000	\$844,000
24	G-8 (3 candidates/6 offices)	R-21 (1 runoff/2 candidates)	\$810,000	\$68,000	\$878,000
25	G-8 (3 candidates/6 offices)	R-22 (1 runoff/1 candidate)	\$810,000	\$17,000	\$827,000
27	G-9 (4 candidates/6 offices)	R-11** (6 runoffs/ 2 candidates)	\$1,080,000	\$408,000	\$1,488,000
28	G-9 (4 candidates/6 offices)	R-12 (6 runoffs/1 candidate)	\$1,080,000	\$102,000	\$1,182,000
29	G-9 (4 candidates/6 offices)	R-13 (5 runoffs/2 candidates)	\$1,080,000	\$340,000	\$1,420,000
30	G-9 (4 candidates/6 offices)	R-14 (5 runoffs/1 candidate)	\$1,080,000	\$85,000	\$1,165,000
31	G-9 (4 candidates/6 offices)	R-15 (4 runoffs/2 candidates)	\$1,080,000	\$272,000	\$1,352,000
32	G-9 (4 candidates/6 offices)	R-16 (4 runoffs/1 candidate)	\$1,080,000	\$68,000	\$1,148,000

\* Assumes 6 vacant seats.

\*\* Scenarios R-1 to R-10 do not apply because they represent runoffs for more than six districts.

p. 3 of 3

Scenario #	General Election Scenario	Runoff Election Scenarios**	Projected Cost of Year 2004 General Election	Projected Cost of Year 2004 Runoff Elections	Combined Projected Costs of General and Runoff, Year 2004 Election
33	G-9 (4 candidates/6 offices)	R-17 (3 runoffs/2 candidates)	\$1,080,000	\$204,000	\$1,284,000
34	G-9 (4 candidates/6 offices)	R-18 (3 runoffs/1 candidate)	\$1,080,000	\$51,000	\$1,131,000
35	G-9 (4 candidates/6 offices)	R-19 (2 runoffs/2 candidates)	\$1,080,000	\$136,000	\$1,216,000
36	G-9 (4 candidates/6 offices)	R-20 (2 runoffs/1 candidate)	\$1,080,000	\$34,000	\$1,114,000
37	G-9 (4 candidates/6 offices)	R-21 (1 runoff/2 candidates)	\$1,080,000	\$68,000	\$1,148,000
38	G-9 (4 candidates/6 offices)	R-22 (1 runoff/1 candidate)	\$1,080,000	\$17,000	\$1,097,000

\* Assumes 6 vacant seats.

\*\* Scenarios R-1 to R-10 do not apply because they represent runoffs for more than six districts.



0.254

2/00



# City and County of San Francisco

## Meeting Minutes

### Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

City Hall  
1 Dr. Carlton B.  
Goodlett Place  
San Francisco, CA  
94102-4689

Wednesday, April 12, 2000

10:00 AM

City Hall, Room 263

### Regular Meeting

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

DOCUMENTS DEPT.

### Meeting Convened

APR 18 2000

SAN FRANCISCO  
PUBLIC LIBRARY

The meeting convened at 10:08 a.m.

#### 000328 [Public Financing and Disclosure for Campaigns] Supervisor Ammiano

Ordinance amending Administrative Code by adding Sections 16.549-1 through 16.549.18 to provide for public financing of election campaigns and to add Sections 16.550.1 through 16.550.10 to provide for increased disclosure of campaign contributions and expenditures.

(Fiscal impact; Adds Sections 16.549-1 through 16.549.18; and Sections 16.550-1 through 16.550.10.)

2/18/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

4/5/00, AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Supervisor Ammiano; Harvey Rose, Budget Analyst; Supervisor Yee; Ginny Vida, Executive Director, Ethics Commission; Naomi Starkman, Ethics Commission; Claire Sylvia, Deputy City Attorney; Paul Melbostad, Ethics Commission. In Support: Jim Knox, California Common Cause (CCC); Rebecca Silverberg, Coalition for S. F. Neighborhoods (CSFN); Steven Currier; Marie Harrison; Bud Wilson, Greater West Portal; Joan Girardot, President, CSFN; Bill Rangfeld, CCC; Joan Kingery, CCC. Amendment of the Whole continued to April 12, 2000.

4/5/00, CONTINUED AS AMENDED.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Ammiano; Ginny Vida, Executive Director, Ethics Commission; Supervisor Bierman. Continued to April 19, 2000. See Files 999683 and 000687 prepared in committee as ordinances.

CONTINUED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

#### 000685 [Public Financing of Election Campaigns] Supervisor Ammiano

Ordinance amending the San Francisco Administrative Code to add Sections 16.549-1 through 16.549-18 to provide for public financing of election campaigns.

(Fiscal Impact; Adds Section 16.549-1 through 16.549-18)

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Ammiano; Ginny Vida, Executive Director, Ethics Commission; Supervisor Bierman. See File 000328.

PREPARED IN COMMITTEE AS AN ORDINANCE by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

Continued to April 19, 2000.

CONTINUED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano



**000687 [Public Matching Funds and Disclosure of Campaigns]****Supervisor Ammiano**

Ordinance amending the San Francisco Administrative Code to add Sections 16.549-1 through 16.549-18 to provide for public matching funds to candidates for local office who are targeted by large independent expenditure campaigns and to add Sections 16.550.1 through 16.550-10 to provide for increased disclosure of campaign contributions and expenditures.

(Fiscal Impact; Adds Section 16.549-1 through 16.549-18 and adds Section 16.550.1 through 16.550-10)

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Supervisor Ammiano, Ginny Vida, Executive Director, Ethics Commission; Supervisor Bierman. See File 000328*

**PREPARED IN COMMITTEE AS AN ORDINANCE by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

*Continued to April 19, 2000.*

**CONTINUED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**992317 [Establishing Courthouse Children's Waiting Rooms Fund]****Supervisors Katz, Teng**

Ordinance amending Administrative Code by adding Section 10.117-125 to impose a surcharge of five dollars for the filing in Superior Court of specified initial pleadings and to appropriate the surcharge to pay costs, excluding capital outlay, related to the maintenance of children's waiting rooms at the Hall of Justice and Civic Center Courthouse.

(Adds Section 10.117-125.)

12/20/99, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 1/19/2000

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Alan Carlson, Chief Executive Officer, Superior Court, Janet Michaelson, Aide to Supervisor Katz, Geraldine Rosen Park, Women's Lawyer's Alliance; Shirley Melnicor, Northern California Service League, Ed Harrington, Controller. Amended to reduce surcharge from five dollars to four dollars, and change the word "fund" to "account" throughout the ordinance where the specific Fund is mentioned; new title.*

**AMENDED.**

Ordinance amending Administrative Code by adding Section 10.117-125 to impose a surcharge of four dollars for the filing in Superior Court of specified initial pleadings and to appropriate the surcharge to pay costs, excluding capital outlay, related to the maintenance of children's waiting rooms at the Hall of Justice and Civic Center Courthouse.

(Adds Section 10.117-125.)

**RECOMMENDED AS AMENDED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**000483 [Lease - Windsor Hotel]****Supervisor Newsom**

Resolution authorizing and approving the lease by and between the City and County of San Francisco, for the Department of Public Health, as tenant, and 238 Windsor Associates, as landlord, for the ground floor and portions of the basement and mezzanine of the "Windsor Hotel" located at 238 Eddy Street.

3/20/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Monique Zmuda, Department of Public Health; Supervisor Yee.*

**RECOMMENDED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**000486 [Grant - Emergency Shelter Grant Program]****Mayor**

Resolution approving the 2000 Emergency Shelter Grants Program and Expenditure Schedule and authorizing the Mayor on behalf of the City and County of San Francisco to apply for, accept, and expend a \$890,000 entitlement under the Emergency Shelter Grants Program from the U.S. Department of Housing and Urban Development.

3/20/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Pam David, Director, Mayor's Office of Community Development; Daryl Higashi, Deputy Director, Mayor's Office of Housing; Supervisor Yee; Supervisor Ammiano; David Pearson, Head Start; Dr. Norma Tecson, Filipino American Council; Janelle Pierce, Rosa Park Senior Center; Helen Davenport; Father Louis Vitale, St. Boniface Neighborhood Center; Janet Gomes, S. F. Conservation Corp.; Donna Bennett, Milestone; Miguel Wooding, Eviction Collaborative; Devra Edelman, Haight Ashbury Food Program; Maurice, Bernal Heights Neighborhood Center; LaDawn Law, SFUSD, Child Development Program. Tami Rice-Mitchell, Charles Drew Center; Aurora Marimack; Betty H.; Lisa Gray, Young Community Developers; Clarence Shaw, Housing Conservation and Development Corp.; Barbara Brown; Homer Marshall; Carlos Romero, Mission Housing; Grant Din, Asian Neighborhood Design; Teresa Vergel; Dominado Purugganan, World War II Veteran; Colleen Cassidy, Juma Ventures; Gary K.; Gay Kaplan; Marian Doub, Women for Self Employment; Donna F.; Edmond Tong, Asian, Inc.; Mr. Young; Claudia Viek, Renaissance Entrepreneur Center. Continued to April 19, 2000.*

**CONTINUED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**000487 [Grant - HOME Program]****Mayor**

Resolution authorizing the Mayor of the City and County of San Francisco to apply for, accept and administer a grant from the U.S. Department of Housing and Urban Development for a total amount not to exceed \$7,115,000 for the HOME Program authorized under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, and approving the HOME program description as described in the 2000 action plan for San Francisco's consolidated plan. Indirect costs associated with the acceptance of these grant funds will be paid by Community Development Block Grant funds.

3/20/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in Committee. Speakers:* Harvey Rose, Budget Analyst, Pam David, Director, Mayor's Office of Community Development; Daryl Higashi, Deputy Director, Mayor's Office of Housing, Supervisor Yee; Supervisor Ammiano; David Pearson, Head Start; Dr. Norma Tecson, Filipino American Council; Janelle Pierce, Rosa Park Senior Center; Helen Davenport, Father Louis Vitale, St. Boniface Neighborhood Center; Janet Gomes, S. F. Conservation Corp.; Donna Bennett, Milestone, Miguel Wooding, Eviction Collaborative; Devra Edelman, Haight Ashbury Food Program; Maurice, Bernal Heights Neighborhood Center, LaDawn Law, SFUSD, Child Development Program; Tami Rice-Mitchell, Charles Drew Center, Aurora Marimack; Betty H.; Lisa Gray, Young Community Developers, Clarence Shaw, Housing Conservation and Development Corp.; Barbara Brown, Homer Marshall, Carlos Romero, Mission Housing, Grant Din, Asian Neighborhood Design; Teresa Vergel, Dominado Purugganan, World War II Veteran, Colleen Cassidy, Juma Ventures; Gary K.; Gay Kaplan, Marian Doub, Women for Self Employment, Donna F., Edmond Tong, Asian, Inc.; Mr Young, Claudia Vieh, Renaissance Entrepreneur Center. Continued to April 19, 2000

**CONTINUED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**000488 [Grant - 2000 CDBG]****Mayor**

Resolution approving the 2000 Community Development Program authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's 2000 Community Development Block Grant (CDBG) Entitlement from the U.S. Department of Housing and Urban Development, and program income generated by the San Francisco Redevelopment Agency up to \$33,734,275 which include indirect costs of \$160,000; and approving expenditure schedules for recipient departments and agencies for indirect costs.

3/20/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in Committee. Speakers:* Harvey Rose, Budget Analyst, Pam David, Director, Mayor's Office of Community Development; Daryl Higashi, Deputy Director, Mayor's Office of Housing, Supervisor Yee; Supervisor Ammiano; David Pearson, Head Start; Dr. Norma Tecson, Filipino American Council; Janelle Pierce, Rosa Park Senior Center; Helen Davenport, Father Louis Vitale, St. Boniface Neighborhood Center; Janet Gomes, S. F. Conservation Corp.; Donna Bennett, Milestone, Miguel Wooding, Eviction Collaborative; Devra Edelman, Haight Ashbury Food Program; Maurice, Bernal Heights Neighborhood Center, LaDawn Law, SFUSD, Child Development Program; Tami Rice-Mitchell, Charles Drew Center; Aurora Marimack; Betty H.; Lisa Gray, Young Community Developers, Clarence Shaw, Housing Conservation and Development Corp.; Barbara Brown; Homer Marshall, Carlos Romero, Mission Housing, Grant Din, Asian Neighborhood Design; Teresa Vergel; Dominado Purugganan, World War II Veteran, Colleen Cassidy, Juma Ventures, Gary K., Gay Kaplan, Marian Doub, Women for Self Employment, Donna F., Edmond Tong, Asian, Inc.; Mr Young, Claudia Vieh, Renaissance Entrepreneur Center. Continued to April 19, 2000.

**CONTINUED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**000521 [Reserved Funds, Port Commission]**

Hearing to consider release of reserved funds, Port Commission (S.F. Harbor Operating Fund Loan Revenue, File 101-97-44; Ordinance No. 40-98), in the amount of \$235,343 for the Hyde Street Harbor Landside Improvement project. (Port)

3/22/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Imani Haygood, Port.*

**APPROVED AND FILED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**000095 [Reserved Funds, Department of Public Health]**

Hearing to consider release of reserved funds, Department of Public Health (Fiscal Year 1999-2000 Budget) in the amount of \$50,000 to fund an actuarial cost analysis to implement the San Francisco Methadone by Prescription Program (MPP). (Public Health Department)

1/11/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

2/2/00, CONTINUED TO CALL OF THE CHAIR. *Heard in Committee. Speakers, Ken Bruce, Budget Analyst; Anne Okubo, Department of Public Health. Department to select contractor and submit contract cost details prior to release of reserve. 3/27/00, From Department of Public Health, submitting contract cost details.*

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Anne Okubo, Department of Public Health.*

**APPROVED AND FILED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**000235 [Approving the concession leases of Travelex America, Inc. to operate two (2) ATM facilities at the Airport, at a minimum annual rent for the first year of \$240,500 for each lease]**

Resolution approving two Automated Teller Machine Leases for the existing and New International Terminal Buildings between Travelex America, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

2/4/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

3/1/00, CONTINUED. Continued to March 8, 2000.

3/8/00, CONTINUED. Continued to March 22, 2000.

3/22/00, CONTINUED TO CALL OF THE CHAIR. *Heard in Committee. Speakers. Harvey Rose, Budget Analyst; Jon Ballesteros, Airport.*

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Jon Ballesteros, Airport. Amendment of the Whole relating to Proposition F.*

**AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.**

**RECOMMENDED AS AMENDED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**000519 [Authorizing extension and renewal of six (6) existing leases for Public Health Outpatient Mental Health Clinics, Wedge Program and Tobacco Program]**

Resolution authorizing extension and renewal of certain existing leases of real property required by the Department of Public Health. (Real Estate Department)

3/22/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Tony DeLucchi, Director of Property, Department of Real Estate; Judy Shusman, Department of Public Health; Supervisor Bierman. Amended lease No. 1 from \$3,250 per month to \$4,265 per month; same title*

**AMENDED.**

**RECOMMENDED AS AMENDED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**000032 [Merced Extension Triangle Condominium Complex]****Supervisor Ammiano**

Hearing to consider the potential impacts of the 370 unit condominium complex proposed for the Merced Extension Triangle neighborhood

1/4/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in Committee. Speakers: Supervisor Ammiano, Oz Ericson, Emerold Fund, Inc.; David Johnson, Christiani Johnson Architects, Supervisor Bierman, Glen Hatakeyama, Herb Panasewicz, Dwayne Price, Mary Stephenson, Maureen Ginella, Lois Tenney, Luther White, George Aquilva, Steve Webber, Marc Christensen, Jon Sievert.*

**CONTINUED TO CALL OF THE CHAIR.**

**ADJOURNMENT**

*The meeting adjourned at 2:15 p m*



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1/2/00

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CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

### BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

April 6, 2000

TO: Finance and Labor Committee

DOCUMENTS DEPT.

FROM: Budget Analyst

APR 11 2000

SUBJECT: April 12, 2000 Finance and Labor Committee Meeting

SAN FRANCISCO  
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#### Item 1 - File 00-0328

**Note:** This item was continued by the Finance and Labor Committee at its meeting of April 5, 2000. The following report reflects the Amendment of the Whole submitted to the Finance and Labor Committee at the April 5, 2000 meeting.

**Department:** Ethics Commission

**Item:** Ordinance amending the San Francisco Administrative Code to add Article XIIE, Sections 16.549-1 through 16.549-18, to provide for public financing of election campaigns, and to add Article XIIF, Sections 16.550-1 through 16.550-10, to provide for increased disclosure of campaign contributions and expenditures.

**Description:** The subject ordinance, as amended by the Amendment of the Whole, would provide public funds from a newly established Election Campaign Fund to partially defray the election campaign costs of each candidate for the Board of Supervisors who:

(1) is eligible to hold office as a member of the Board of Supervisors;



- (2) has received at least \$5,000 in contributions of \$100 or less<sup>1</sup>;
- (3) is opposed by another candidate who is eligible to receive public financing, or has received contributions or made expenditures of at least \$10,000, or in the general election has at least \$10,000 in independent expenditures made against him or her, or in favor of an opposing candidate; and
- (4) agrees to:
  - limit his or her personal contributions to his or her own campaign to \$10,000 (unless the voluntary expenditure ceilings set by Section 16.549-6 (d) (4) are lifted for the reasons outlined in Comment No. 8 below);
  - limit his or her campaign spending per general election to \$75,000 (unless the voluntary expenditure ceilings are lifted for the reasons outlined in Comment No. 8 below);
  - participate in at least one debate with his or her opponents; and
  - prove compliance with the subject ordinance's requirements.

Additional public funds would be available to qualifying candidates who must also contest a run-off election.

Comments:

1. Attachment I, provided by Ms. Naomi Starkman of the Ethics Commission, explains (a) the alternative available funding sources for the proposed public financing program, (b) the projected costs of the original public financing program proposal presented to the Finance and Labor Committee by the Ethics Commission, and (c) the projected costs to the Ethics Commission of administering the original public financing program proposal.

Attachment II, provided by Ms. Starkman, contains revised estimates for the personnel and non-personnel costs to the Ethics Commission of the public financing program as amended by the Amendment of the Whole. The Ethics Commission has not estimated the costs to the City of the public financing program as amended by the

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<sup>1</sup> While a candidate can accept contributions of up to \$500 per contributor under the Campaign Finance Reform Ordinance, only the first \$100 from each contributor would count toward eligibility for public funds under the proposed ordinance.

Amendment of the Whole because Ms. Ginny Vida of the Ethics Commission advises that Commission staff did not have sufficient time to fully analyze the amended legislation.

2. According to Ms. Naomi Starkman of the Ethics Commission, currently no municipalities in the United States have full public financing of election campaigns, while four States have approved, but not implemented, full public financing programs<sup>2</sup>. However, a number of United States municipalities and States, and the Federal Government, operate partial public financing programs.

3. Although the Ethics Commission proposes funding the subject program from General Fund revenues, it has conducted research on the following alternative methods of funding the program: (a) a surcharge on City-imposed business taxes, (b) a surcharge on City-imposed property taxes, and (c) voluntary taxpayer contributions. Attachment I, Part II, explains the issues associated with these alternative funding options.

4. According to Ms. Julia Moll of the City Attorney's Office, the subject ordinance would provide authority for the Mayor and the Board of Supervisors to appropriate sufficient monies to (a) an Election Campaign Fund established under the subject ordinance to partially defray the election campaign costs of all eligible candidates, and to (b) the Ethics Commission for administration costs related to the public financing program. However, according to Ms. Moll, such appropriations could only be required by a voter-approved Charter amendment. Ms. Moll states that this is because only voter-approved Charter amendments, rather than ordinances, can limit the discretion of the Board of Supervisors and the Mayor regarding annual appropriations. Ms. Moll states that if the Mayor and the Board of Supervisors do not appropriate sufficient funds, the public financing program would not operate.

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<sup>2</sup> The four States which have approved full public financing programs are Arizona, Maine, Massachusetts, and Vermont.

5. Under the subject ordinance, as amended by the Amendment of the Whole, the Ethics Commission would incur additional costs to administer the public financing program which would require it to perform a number of additional functions:

- Adoption of regulations to implement the subject ordinance and specification of all forms and statements required to be filed under the subject ordinance;
- Determination of the annual and supplemental appropriation needs of (a) the Election Campaign Fund, and (b) the Ethics Commission for administration of the public financing program;
- Certification of candidates' eligibility to receive public funds and, in the case of non-certification, reviewing appeals;
- Processing of reports filed by (a) candidates who do not receive public funds but who do receive or expend funds over a specified threshold, and (b) committees which make election campaign contributions over specified thresholds<sup>3</sup>;
- Processing of copies of electronic, printed, or telephone campaign advertisements filed with the Ethics Commission;
- Certification of candidates eligible for additional public funds as a result of lifting voluntary expenditure ceilings;
- Audits of all candidates who receive public funds under the subject ordinance;
- Investigation of alleged violations of the subject ordinance;
- Imposition of administrative penalties for violators of the subject ordinance;
- Reports to the Mayor and Board of Supervisors after each election on the public financing program; and
- Preparation and maintenance of the content and format of a City web site for all local elections.

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<sup>3</sup> The reports required by the proposed ordinance are in addition to the campaign disclosure requirements imposed by the California Political Reform Act and the San Francisco Campaign Finance Reform Ordinance.

According to Ms. Starkman, the Ethics Commission would need to employ at least three additional full-time employees to implement and administer the above functions at a total estimated cost of \$135,000 per year (inclusive of mandatory fringe benefits). The Ethics Commission states that it would also need to employ a clerical employee during the first six months of the program at a total estimated cost of \$17,000. Annual non-salary operating costs are estimated to be an additional \$25,000 per year. The total estimated cost in the first year would therefore be approximately \$177,000 (as shown in Attachment II, Table 1).

6. According to Ms. Vida, the Ethics Commission has not included in its FY 2000-2001 budget request any additional funding for the new Ethics Commission functions related to the proposed public financing program. Ms. Vida states that if the proposed public financing program is approved, then the Ethics Commission would request additional FY 2000-2001 funding through a supplemental appropriation.

7. Under the Amendment of the Whole, unless the voluntary expenditure ceilings are lifted (see Comment No. 8), the maximum amount of public funds that a candidate for the Board of Supervisors could receive under the proposed public financing program would be (a) up to \$37,500 for a general election (which is 50 percent of the \$75,000 voluntary expenditure ceiling for a general election), and (b) up to 100 percent of the \$20,000 voluntary expenditure ceiling for a run-off election. Candidates who receive public funds for a run-off election would not be permitted to spend private contributions or personal funds for campaign purposes, unless the voluntary expenditure ceilings are lifted.

8. Under the Amendment of the Whole, there would be two triggers for lifting the voluntary expenditure ceiling in a supervisorial district. Firstly, the voluntary expenditure ceiling would cease to be binding on any candidate running in a supervisorial district if any candidate in the same district who is not participating in the public financing program receives contributions, has cash on hand, or makes campaign expenditures in excess

of the applicable voluntary expenditure ceiling. Secondly, the voluntary expenditure ceiling would cease to be binding if independent expenditures against any candidate participating in the public financing program, or in support of any opposing candidate in that supervisorial district, exceed 25 percent of the applicable voluntary expenditure ceiling. If the voluntary expenditure ceilings are lifted because of spending by candidates not participating in the public financing program, eligible candidates would be entitled to receive an additional \$1 in public funds for every \$1 raised or spent. However, if the voluntary expenditure ceilings are lifted because of independent expenditures against candidates participating in the public financing program or in support of opposing candidates, the candidates targeted by those expenditures would be entitled to \$1 in public funds for every \$1 in independent expenditures above 25 percent of the voluntary expenditure ceiling. The maximum additional public funds which could be awarded by the City would be 100 percent of the voluntary expenditure ceiling for a general election and 200 percent of the voluntary expenditure ceiling for a run-off election.

9. In summary, therefore, the costs to the City of the proposed public financing program, as amended by the Amendment of the Whole, would be determined in each Board of Supervisors election cycle by the following variables:

- The number of candidates who qualify for public financing in each general election (each one can receive up to \$37,500 in public funds in a general election);
- The number of candidates who qualify for public financing in each run-off election (each one can receive up to \$20,000 in public funds in a run-off election);
- How many supervisorial districts have the voluntary expenditure ceilings lifted in a general election, and how many of the candidates in each of those supervisorial districts are eligible for increased public financing (each eligible candidate could receive up to \$75,000 in public funds in a general election); and



- How many supervisorial districts have the voluntary expenditure ceilings lifted in a run-off election, and how many of the candidates in each of those supervisorial districts are eligible for increased public financing (each eligible candidate could receive up to \$40,000 in public funds in a run-off election).

10. Under the Amendment of the Whole, Article XIIF, Sections 16.550-1 through 16.550-10, would be added to the subject ordinance to provide for increased disclosure of campaign contributions and expenditures, and other information, through:

- Additional pre-election disclosure of election campaign contributions and expenditures;
- The filing of electronic, printed, or telephone election campaign advertisements;
- Disclosure of the funder of telephone advertisements and polls; and
- The creation of a City web site for all local government elections.

11. Equipment purchased by candidates with public funds which is worth at least \$100 and has continued useful life would become City property after the election. Candidates who receive public funds but who withdraw or fail to qualify for the ballot would be required to repay the full amount of public funds received. Candidates who have surplus public funds, or who have received amounts in excess of their entitlement, would be required to return the unexpended or excess funds to the Election Campaign Fund. Under the subject ordinance, candidates who were required to repay monies would not be required to pay interest on those repayments.

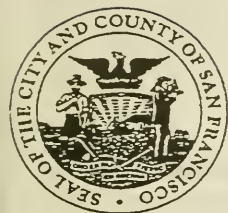
12. Violators of the public financing provisions of the subject ordinance could be subject to administrative, civil, and criminal penalties if they (a) willfully, knowingly, or negligently misuse public funds, or (b) provide false or misleading information to, or conceal information from, the Ethics Commission in relation to the subject public financing program. Violators could be liable to pay a fine of up to \$5,000 (or, in the case of (a), three times the amount improperly spent, whichever is greater), or could



Memo to the Finance and Labor Committee  
April 12, 2000 Finance and Labor Committee Meeting

be imprisoned for up to six months, or both. Violators of the reporting and disclosure provisions of the subject ordinance, as added by the Amendment of the Whole, could be liable to pay a fine of between \$500 and \$5,000, or three times the amount not properly reported, whichever is greater, or could be imprisoned for up to six months, or both.

**Recommendation:** Approval of the subject ordinance is a policy matter for the Board of Supervisors.



# ETHICS COMMISSION CITY AND COUNTY OF SAN FRANCISCO

ISABELLA H. GRANT  
CHAIRPERSON

HENRI E. NORRIS  
VICE-CHAIRPERSON

ROBERT D.  
DOCKENDORFF  
COMMISSIONER

CAROL M. KINGSLEY  
COMMISSIONER

PAUL H. MELBOSTAD  
COMMISSIONER

VIRGINIA E. VIDA  
EXECUTIVE DIRECTOR

Date: March 7, 2000  
To: Alan Gibson  
Office of the Budget Analyst  
From: Naomi Starkman *NS*  
Deputy Executive Director  
Re: Projected Costs of the Ethics Commission's Proposal for Public Financing of Election Campaigns

## I. Introduction

Your office has asked the Ethics Commission to determine the costs associated with the Commission's proposal for public financing of election campaigns. The purpose of this memorandum is to: 1) summarize the funding alternatives associated with the public financing program; 2) estimate the projected budget of the proposed Election Campaign Fund; and 3) estimate the costs to the Ethics Commission associated with administration of the program.

## II. Funding Sources

Although the Commission's proposal contemplates funding the public financing program through the City's General Fund, the Commission asked its staff to research funding alternatives for the program. The results of the staff's research are discussed in a February 16, 2000 memorandum to the Board of Supervisors entitled, "Report on Funding Alternatives to the General Fund for a Public Financing Program," and are summarized below.

### 1. Comparative Information of other Public Finance Programs

Prior to making its recommendation to the Board of Supervisors, Commission staff studied four cities that have partial public financing of campaigns: Los Angeles, New York City, Long Beach and Tucson. In addition, the City of Oakland recently approved a public financing program. All five municipalities fund their public finance programs through their City's General Fund. Based on the successful experiences of these jurisdictions, the Commission proposes to fund San Francisco's public financing program through the City's General Fund.

Staff also reviewed the laws of several states that have enacted (but have yet to implement) full public financing of campaigns: Arizona, Maine, Vermont and Massachusetts. The Commission did not discuss in detail any of the alternative funding options contemplated in these jurisdictions.

Arizona funds its program through the following sources: 1) a \$100 annual fee imposed on registered lobbyists representing for-profit interests; 2) an additional surcharge of ten percent imposed on all civil and criminal fines and penalties; 3) a five-dollar voluntary contribution check-off on tax return forms; and 4) voluntary donations and tax credits, not to exceed \$500 or 20 percent of a resident's annual state income tax liability, whichever is greater.

Alan Gibson  
Office of the Budget Analyst  
March 7, 2000  
Page 2

Maine has a special, dedicated, non-lapsing Fund and any interest generated by the Fund is credited to the Fund. The following sources of funding must be deposited in the Fund: 1) \$2 million in revenues from sales and use taxes and income taxes and credited to the General Fund; 2) a tax check-off program allowing Maine residents to designate \$3 be paid into the Fund, and 3) late filing penalties and penalties for violations of the Maine Clean Elections Act. The Massachusetts Clean Election Fund receives its funding from voluntary check-off on the state income tax forms and from appropriations by the state legislature. Funds are capped at one tenth of one percent of the state budget.

Vermont does not set aside an amount for its Campaign Finance Fund. The Fund's revenue sources include: 1) grant funds unused by publicly funded candidates; 2) penalties and fines levied for violations of all sections of the campaign finance law; 3) 40 percent of the amounts paid as annual report fees by domestic corporations under Vermont law and 33 percent of the amounts paid as annual report fees by foreign corporations under Vermont law; 4) all amounts collected from the tax on lobbying expenditures imposed under Vermont law; 5) any gifts received by the fund; 6) any amounts appropriate to the Vermont campaign fund by act of the general assembly; and 7) all principal and interest of the Fund.

Staff also reviewed the federal public finance program. Eligible presidential candidates running in the primary election receive partial public financing and the candidates who are nominated for the general election receive a full grant of public funds. Funding for the federal program comes from the \$3 check-off that appears on federal income tax forms. While disbursements from the fund are indexed to inflation, the \$3 tax check-off is not.

## 2. Surcharges on City-Imposed Taxes

Although the Commission did not contemplate funding the program through a surcharge, the staff discussed this option with Chief Assistant Treasurer Jay Banfield and Controller Edward Harrington. According to Chief Assistant Treasurer Banfield, the City collects business taxes and property taxes. Business taxes include receipts and payroll taxes; hotel tax; parking tax; stadium operator tax; and a transient occupancy tax. Property taxes include secured tax; unsecured tax; supplemental property transfer tax; and a utility users tax.

The City could consider the possibility of a surcharge on the following business fees/taxes: business registration license fees (which produce \$10 million/year), parking violation fines and parking taxes. The City could also consider setting aside a portion of the City's property tax (which produces \$600 million/year). According to Controller Harrington, the utility users tax, which is paid only by commercial users, yields about \$60 million per year. A two percent surcharge on the utility users tax would produce about \$1.2 million per year. However, much of the revenue from property taxes is already committed to funding certain City programs.

The California Constitution requires San Francisco voter approval for any tax increase to general taxes or special taxes. The City may not impose, extend, or increase any general tax unless the tax is submitted to the electorate and approved by a majority vote. The City may not impose, extend, or increase any special tax (for example, for a public financing program) unless the tax is submitted to the electorate and approved by a two-thirds vote. (See Cal. Constitution Article 13(C)(2).) According to Controller Harrington, because a fee is only allowed to recover the costs of providing a service, a surcharge on a fee would probably be considered a tax subject to voter approval.

Alan Gibson  
Office of the Budget Analyst  
March 7, 2000  
Page 3

### 3. Voluntary Contributions

As another alternative source of funding, the City could also solicit contributions from taxpayers for the public financing program. The City currently solicits contributions from taxpayers to fund youth and children services. (See S.F. Admin. Code Chapter 51A.)

The City could request voluntary contributions through voter registration cards, voter information pamphlets and other materials distributed by the Ethics Commission or the Department of Elections. The revenue from these contributions could be set aside in the Election Campaign Fund, which is specifically designed for disbursing public funds to eligible candidates.

However, based on the data gathered by staff and conversations with representatives of jurisdictions that have voluntary contributions, such programs have proven unsuccessful. For example, public participation in the federal tax check-off has gradually decreased in recent years from a high of 28 percent in 1980 to less than 12 percent in 1997.

### **III. Projected Election Campaign Fund Budget**

The projected budget for the proposed Election Campaign Fund depends on the number of vacant seats per district and the number of candidates that qualify for public financing and whether run-off elections are required.

In the 2000 general election, all 11 seats for the Board of Supervisors will be vacant. After the 2000 general election, the clerk of the Board of Supervisors will determine by lot whether the supervisors elected from the even or odd-numbered districts will have terms expiring in two or four years. (See Charter Section 13.110(f).) Accordingly, there will be either five or six vacant seats in 2002 and 2004. For purposes of this memorandum, it is assumed that there will be five vacant seats in the 2002 general election and six vacant seats in the 2004 general election.

Because it is difficult to predict a minimum or maximum cost of the program, the Commission staff developed assumptions as to how many candidates will participate in the program in the next three general elections. (See Attachment I: Cost Projections for Public Financing Proposal.) The attachment assumes that at least two candidates per district will receive public financing in the general election and at least one candidate per district will receive public financing in the run-off election. Based on these assumptions, the staff estimated a range of projected costs for all three elections, as described below in Table 1.

Table 1

Year	Range of Costs
2000	\$1,007,000 - \$2,728,000
2002	\$467,000 - \$1,240,000
2004	\$557,000 - \$1,488,000

### **IV. Projected Administrative Costs to the Ethics Commission**

The administrative costs associated with the program depend, in part, on the number of candidates that apply for public financing. The number of candidates in a particular election will affect the amount of time staff will spend on the certification and appeals process and the total number of audits to be performed. Most of the administrative costs are projected for personnel needs. It is important to note that with a full-time staff of seven, the Ethics Commission is not able to fulfill all of its current Charter mandates. For this



Alan Gibson  
Office of the Budget Analyst  
March 7, 2000  
Page 4

reason, it is imperative that the Commission obtain additional staff to administer the public finance program.

The Commission estimates that it will need at least two additional full-time professional employees to implement and administer the program.<sup>1</sup> However, the cost to the Ethics Commission might be greater at the outset of the program, considering the short timeframe contemplated for enactment of the proposal. It may be necessary to hire three full-time employees (two professional employees and one clerical employee) for a period of six months in order to implement the proposal and thereafter reduce the total number of additional staff to two. In addition, the Commission estimates that there will be non-personnel costs associated with the program, such as resources for additional personnel and costs for materials and mailings. The estimated administrative costs are described below in Table 2.

Table 2

Item	Amount
Salaries of 2 FT professional employees <sup>2</sup>	\$100,000
Salary of 1 FT clerical employee @ 6 months	\$17,000
Non-personnel costs	\$20,000
<b>Total</b>	<b>\$137,000</b>

If the proposal is implemented in this fiscal year, the Commission would be required to request a supplemental appropriation for its FY 2000-2001 budget. Some initial start-up costs, such as drafting regulations, manuals and forms, may be required to be absorbed by the Commission's current budget.

The proposal has fiscal implications for other City departments, including the offices of the Controller and the City Attorney. The proposal provides that the Commission may request the assistance of the Controller in the review process and requires the Controller to disburse payments to candidates from the Fund. The proposal also provides that the Controller assist in conducting audits of all candidates who receive public financing. The City Attorney's Office, which is the legal advisor to the Ethics Commission, would assist the Commission staff in drafting implementing regulations.

The staff gathered information about the administrative costs in jurisdictions that have partial public financing programs. It is important to note that most of the jurisdictions provide public financing to candidates running for several elected offices, such as the office of Mayor, City Attorney, District Attorney and/or Controller. The Ethics Commission proposes providing funding only to candidates for the Board of Supervisors. Also, please note that some of the cities that have public finance programs have agencies that only handle campaign finance issues, such as the New York City Campaign Finance Board. The San Francisco Ethics Commission handles a variety of issues, including, but not limited to, campaign finance laws.

The Los Angeles City Ethics Commission, which like the San Francisco Ethics Commission administers a variety of programs, could not provide specific information regarding overall administrative costs of its public finance program. In addition to the several auditors who audit publicly financed candidates, Los Angeles employed roughly 1 ½ Analysts in the most recent election to administer the program for four

<sup>1</sup> One employee would administer the program, including creating all necessary forms, manuals and training materials, giving advice and reviewing all submitted documentation. The other employee would work with the Controller's office to conduct audits of all participating candidates.

<sup>2</sup> This amount includes mandatory fringe benefits.

months at a cost of \$18,000.<sup>3</sup> The New York City Campaign Finance Board was not able to provide specific information regarding the administrative costs of its public financing program. The Board's total budget is estimated at \$3 million, including \$2 million in personnel costs for its 47 staff members. The City of Long Beach could not provide an estimate regarding the cost of administration of its program. The City of Tucson provided staff with some information regarding the cost of auditing participating candidates, which it estimated were \$14,725 in 1997, but it did not have specific information about overall administrative costs. The City of Oakland recently passed a public financing proposal which sets aside 7.5 percent of that city's Election Campaign Fund of \$230,000 for the cost of administration to the Oakland City Ethics Commission and the City Auditor, or \$17,250.

I hope you find this memo responsive to your inquiries. If you have questions, or need additional information, please contact me at (415) 554-9510.

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<sup>3</sup> This amount does not include auditing costs or costs associated with training, the issuance of advice, or materials. More importantly, these figures change on an annual basis, depending on the number of candidates running for office and the number of participants in the public financing program. The Los Angeles Ethics Commission could not estimate the costs incurred by the Controller with respect to releasing public funds to candidates.





# ETHICS COMMISSION

## CITY AND COUNTY OF SAN FRANCISCO

ISABELLA H. GRANT  
CHAIRPERSON

HENRI E. NORRIS  
VICE-CHAIRPERSON

ROBERT D.  
DOCKENDORFF  
COMMISSIONER

CAROL M. KINGSLEY  
COMMISSIONER

PAUL H. MELBOSTAD  
COMMISSIONER

VIRGINIA E. VIDA  
EXECUTIVE DIRECTOR

Date: April 6, 2000  
To: Alan Gibson  
Office of the Budget Analyst  
From: Naomi Starkman *NS*  
Deputy Executive Director  
Re: Revised Administrative Costs associated with Supervisor Ammiano's Proposal for Public Financing of Election Campaigns

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### I. Introduction

Your office previously asked the Ethics Commission to determine the costs associated with the Commission's proposal for public financing of election campaigns (See March 7, 2000 Ethics Commission memorandum). At the April 5, 2000 Finance and Labor Committee meeting, the Commission's proposal was significantly changed by an Amendment to the Whole submitted by Supervisor Ammiano. Your office has now asked the Commission to determine the estimated additional administrative costs associated with Supervisor Ammiano's proposal. Please note that the Commission has not estimated the costs to the City associated with Supervisor Ammiano's proposal to disburse public funds to eligible candidates.

### II. Revised Administrative Costs to the Ethics Commission

As noted in our March 7, 2000 memo, the administrative costs associated with the program depend, in part, on the number of candidates that apply for public financing. The number of candidates in a particular election will affect the amount of time staff will spend on the certification and appeals process and the total number of audits to be performed.

#### A. Personnel Costs

Most of the administrative costs are projected for personnel needs. It is important to note that with a full-time staff of seven, the Ethics Commission is not able to fulfill all of its current Charter mandates. For this reason, it is imperative that the Commission obtain additional staff to administer the public finance program. The Commission estimates that it will need at least three additional full-time professional employees to implement and administer the program. It also estimates that it will need one clerical, part-time employee at the outset of the program for a period of six months.

#### 1. Public Finance Administrator

This employee will administer the program, including creating all necessary forms, manuals and training materials, giving advice and reviewing all submitted documentation for the purpose of certification. After the election, this person will prepare a report to the Board and the Mayor on the effectiveness of the public financing program, and will assist in performing audits of

campaign statements filed by participating candidates. This full-time position will be compensated at \$55,000, including fringe benefits.

## 2. Public Finance Auditor

This employee will work with the Controller's office to conduct audits of all participating candidates to determine eligibility. He/she will also absorb the duties associated with the new mandate to certify candidates eligible for additional public funds if the voluntary spending limits are lifted. This full-time position will be compensated at \$50,000, including fringe benefits.

## 3. Elections Website Administrator

Acting as a liaison with candidates and ballot measure committees, the Department of Elections, and the Department of Telecommunications and Information Services, this employee will implement and maintain the newly mandated City website for elections. This person will be responsible for the content and format of the website, including the format for debates. He/she will be employed on a full-time, seasonal basis for a period of seven months, at a cost of \$30,000, including fringe benefits.

Because the cost to the Ethics Commission will be greater at the outset of the program (considering the short timeframe contemplated for enactment of the proposal), it will also be necessary to hire one clerical employee for a period of six months in order to implement the proposal, at a one-time cost of \$17,000 without fringe benefits.

## **B. Non-Personnel Costs**

In addition, the Commission estimates that there will be non-personnel costs associated with the program, such as resources for additional personnel and costs for materials and mailings. These costs will be increased due to additional mandates proposed by the Amendment to the Whole. The Commission had previously estimated non-personnel costs at \$20,000. Due to the necessity of hiring an additional person and additional processing of copies of electronic, printed and telephone campaign advertisements, the Commission now estimates its non-personnel costs at \$25,000. The additional \$5,000 includes the cost of new filing cabinets, additional mailings and reproduction costs. The revised estimated administrative costs are described below in Table 1.

Table 1

Item	Amount
Salaries of 3 FT professional employees	\$135,000
Salary of 1 FT clerical employee @ 6 months	\$17,000
Non-personnel costs	\$25,000
Total	\$177,000

If the proposal is implemented in this fiscal year, the Commission would be required to request a supplemental appropriation for its FY 2000-2001 budget. Some initial start-up costs, such as drafting regulations, manuals and forms, may be required to be absorbed by the Commission's current budget. The proposal has fiscal implications for other City departments, including the offices of the Controller and the City Attorney. The proposal provides that the Commission may request the assistance of the Controller in the review process and requires the Controller to disburse payments to candidates from the Fund. The proposal also provides that the Controller assist in conducting audits of all candidates who receive public financing. The City Attorney's Office, which is the legal advisor to the Ethics Commission, would assist

the Commission staff in drafting implementing regulations. Finally, there may be additional costs to the Department of Telecommunications and Information Services with respect to any website administration provided to the Ethics Commission or for development of online filing for public finance information.

I hope you find this memo responsive to your inquiries. If you have questions, or need additional information, please contact me at (415) 554-9510.

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Item 2 - File 99-2317

**Department:** Superior Court

**Item:** Ordinance amending Article XIII, Chapter 10, Part I of the San Francisco Municipal Code (Administrative Code) by adding Section 10.117-125 to impose a surcharge of \$5 for the filing in Superior Court of specified initial pleadings and to appropriate the surcharge to pay costs, excluding capital outlay, related to the maintenance of Children's Waiting Rooms at the Hall of Justice and Civic Center Courthouse.

**Description:** California Standards of Judicial Administration require that each court endeavor to provide a supervised children's waiting room in courthouses that are open during normal court hours. To help defray the cost of operating these children's waiting rooms, in 1999, the California Legislature enacted Assembly Bill 177, which was codified as California Government Code Section 26826.3 to enable Boards of Supervisors to impose surcharges on the initial filings of specified Superior Court pleadings to fund the operation and maintenance of such children's waiting rooms.

The proposed ordinance would impose a \$5 surcharge on the initial filings of pleadings in specified Superior Court cases to fund the operation and maintenance of existing Children's Waiting Rooms in the Hall of Justice and the Civic Center Courthouse. The proposed ordinance would also permit such funds to be used for Children's Waiting Rooms in any other San Francisco courthouse, which may be developed in the future.

The proposed ordinance would also establish a Courthouse Children's Waiting Rooms Special Fund for deposit of the surcharges collected. The County Clerk would be responsible for remitting the \$5 surcharges to the Controller's Office on a monthly basis, and the Controller would be responsible for maintaining and recording all receipts and expenditures from this Fund. The

Fund could be used to pay any costs, excluding capital, related to the Children's Waiting Rooms. Such expenditures, although limited for use for the Children's Waiting Rooms, would be determined by the Chief Executive Officer of the Court, in consultation with the Presiding Judge of the Court, the Supervising Judge of the Unified Family Court, and the provider, which is currently the Northern California Service League, a non-profit organization that operates the Children's Waiting Rooms. All of such expenditures would be subject to appropriation approval by the Board of Supervisors, according to Ms. Amy Ackerman of the City Attorney's Office.

In addition to the surcharge revenues to be deposited to the Courthouse Children's Waiting Room Special Fund, under the proposed ordinance, all donations of cash and noncash gifts for these Children's Waiting Rooms would be accepted and deposited in the proposed new Courthouse Children's Waiting Room Special Fund. Ms. Amy Ackerman of the City Attorney's Office advises that noncash gifts (i.e., furnishings, books, etc.) would be accepted and placed in the Children's Waiting Room. In addition, all interest earned on the Fund would be credited to the Fund and any balance remaining in the Fund at the close of any fiscal year will be automatically carried forward. Ms. Ackerman advises that all gifts of cash and interest earnings would be subject to the Board of Supervisors appropriation approval.

**Comments:**

1. According to Mr. Neal Taniguichi of the Superior Court, the costs to design and construct the Children's Waiting Room at the Civic Center Courthouse were included in the overall costs of constructing the new Courthouse, which was completed in January of 1998. Mr. Taniguichi advises that the costs to design and construct the Children's Waiting Room at the Hall of Justice, which was completed in 1991, was paid for with private and local grant funds.



2. In accordance with the proposed ordinance, the \$5 surcharge would be imposed for the filing in Superior Court of (1) a complaint, petition, or other first paper in a civil or probate action of special proceeding, (2) a first paper on behalf of any defendant, respondent, intervenor, or adverse party, (3) a motion for change of venue from another court or (4) a first paper on behalf of any party in a proceeding under Section 98.2 of the California Labor Code. The proposed ordinance also states that no party will be required to pay the \$5 surcharge more than once in any action.

3. According to Mr. Taniguichi, \$5 is the maximum surcharge fee allowed by the recent State law. Mr. Taniguichi advises that the Superior Court estimates that the proposed \$5 surcharge will result in approximately \$188,000 annually in revenues, based on the projected 37,600 annual filings in the Superior Court. Mr. Taniguichi reports that, if the proposed ordinance is approved, the Court would begin to impose the proposed \$5 surcharge fee as soon as possible and would include such revenues, and the applicable requested expenditures in the Superior Court's FY 2000-01 budget. Such expenditures would then be subject to review and appropriation approval by the Board of Supervisors.

4. Mr. Taniguichi advises that the Superior Court currently has a contract with the Northern California Service League, a non-profit organization to operate the two Children's Waiting Rooms, one in the Hall of Justice and one in the Civic Center Courthouse. According to Mr. Taniguichi, the current contract with the Northern California Service League is for \$121,848 annually to operate both of the Children's Waiting Rooms. Mr. Taniguichi advises that these contract costs of \$121,848 are currently paid by the City's General Fund.

5. Therefore, Mr. Taniguichi advises that if the proposed ordinance is approved, and the \$5 surcharge is imposed, it should provide a

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



permanent reliable funding source for the Children's Waiting Room operations and maintenance. As a result, Mr. Taniguichi further advises that the City's General Fund would no longer be needed to support this Court operation, resulting in a direct savings to the City's General Fund of approximately \$122,000 annually. However, if the proposed ordinance is approved, all of the costs for the funding for the Children's Waiting Rooms must be absorbed by only those persons who file the applicable papers with the Superior Court as described in Comment No. 2 above. However, Mr. Taniguichi advises that the Judge in the Superior Court can waive these filing fees for indigent cases.

6. Ms. Shirley Melnicoe, the Executive Director of the Northern California Service League provided the budget, contained in the Attachment, which identifies the uses of the existing \$121,848 annual budget. Ms. Melnicoe advises that there is one full-time Coordinator and two part-time Assistant employees at the Civic Center Children's Waiting Room and one full-time Coordinator and one full-time Assistant employee at the Hall of Justice. Ms. Melnicoe reports that the Children's Waiting Rooms are open for use between the hours of 8:30 am to 12pm, and 1pm to 4:30pm on days that the Court is in session. According to Ms. Melnicoe, the Children's Waiting Rooms are available for use by persons using the courts (such as family court clients, criminal defendants and jurors), at no charge, but are not available as a permanent childcare facility for court employees.

7. The Budget Analyst notes that the proposed \$5 surcharge would generate an estimated \$188,000 annually. However, as noted above, the costs to maintain and operate the Children's Waiting Rooms is currently \$121,848. Since the proposed (a) surcharge revenues can only be used to operate and maintain the Children's Waiting Rooms in the two Courthouses currently, (b) the estimated costs to operate such Children's Waiting Rooms is currently \$121,848 and (c) a \$4 surcharge, based on the

Memo to Finance and Labor Committee  
April 12, 2000 Finance and Labor Committee Meeting

projected 37,600 annual filings, would generate an estimated \$150,400 annually, the Budget Analyst recommends that the proposed surcharge be reduced by \$1, from \$5 to \$4.

**Recommendations:** Amend the proposed ordinance to reduce the proposed surcharge from \$5 to \$4. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

Attachment

## Appendix B.

## Budget and Calculation of Charges

## 1. Contract Budget

<u>Line Item</u>	<u>Hall of Justice</u>	<u>Civic Center</u>	<u>Total</u>
Personnel			
Program Coordinator	\$26,000	\$26,000	\$52,000
Assistant (1 FTE)	18,720	18,720	37,440
Executive Director (5%, each)	2,600	2,600	5,200
Fringe Benefits	<u>9,464</u>	<u>9,464</u>	<u>18,928</u>
Total Personnel	\$56,784	\$56,784	\$113,568
Operating Expenses			
Insurance	\$1,200	\$1,200	\$2,400
Telephone	600	600	1,200
Materials and Supplies	1,200	1,200	2,400
Maintenance	900	900	1,800
Reproduction	<u>240</u>	<u>240</u>	<u>480</u>
Total Operating Expenses	\$4,140	\$4,140	\$8,280
TOTAL Waiting Room Expenses	<u>\$60,924</u>	<u>\$60,924</u>	<u>\$121,848</u>

## 2. Calculation of Charges

Budget Total	\$121,848
Monthly payment to contractor (Budget total / 12)	\$10,154

Item 3 - File 00-0483

<b>Department:</b>	Department of Public Health (DPH) Department of Real Estate (DRE)
<b>Item:</b>	Resolution authorizing a new lease agreement at 238 Eddy Street (Windsor Hotel) for the Department of Public Health's SSI Evaluation Program.
<b>Location:</b>	The proposed lease is for the rental of the ground floor, and portions of the basement and mezzanine areas of the Windsor Hotel at 238 Eddy Street, a City leased residential hotel.
<b>Purpose of Lease:</b>	To provide a central location for the DPH staff responsible for (a) determining eligibility of disabled persons and other adults for Supplemental Security Income (SSI) benefits, and (b) assisting potential recipients to complete the documentation required to receive SSI benefits.
<b>Lessor:</b>	238 Windsor Associates.
<b>Lessee:</b>	City and County of San Francisco, acting by and through the Department of Public Health.
<b>No. of Sq. Ft. and Cost Per Month:</b>	5,657 square feet at a monthly rental rate of \$3,500 (approximately \$0.62 per square foot) in Year One of the subject lease.
<b>Annual Cost:</b>	\$42,000 in Year One of the proposed lease, increasing to \$59,779 in Year Ten of the lease.
<b>Annual Percentage Rent Increases:</b>	Four percent

**Utilities and:** Utilities will be provided by the City and janitorial services  
**Janitorial Services:** will be paid by the City under contract with the John Stewart Company.

**Term of Lease:** Ten Years (May 1, 2000 to April 30, 2010).

**Right of Renewal:** None

**Source of Funds:** \$10,400 including \$7,000 for rent budgeted in the FY 1999-2000 DPH General Fund budget for two months, May to June of 2000, in addition to utilities and janitorial services. Funding for future years will be requested in the DPH's Tom Waddell Health Center's budget.

**Description:** The proposed resolution would authorize a new ten-year lease of 5,657 square feet of space at the Windsor Hotel at 238 Eddy Street from 238 Windsor Associates to provide a central location for DPH staff to determine whether disabled and other adults are eligible for monthly SSI payments. The primary mission of the SSI Evaluation Program is to assist disabled and other adults to receive SSI benefits. DPH proposes to relocate the program to improve accessibility to services for SSI clients.

**Comments:**

1. According to Ms. Daisy Leyva of DPH, under the current DPH Housing Services residential lease agreement with the Windsor Hotel, the City leases 45,800 square feet at a monthly rate of \$31,000 (approximately \$0.68 per square foot). The Windsor Hotel has been leased as a residential Hotel since May 1999. There are 94 residential units in the Windsor Hotel of which (a) 75 of the units are occupied by persons who have been referred by the Department of Human Service (DHS) or DPH, and (b) 19 units are occupied by tenants under prior lease agreements.
2. The City has operated the residential portion of the Windsor Hotel under lease since May of 1999.

3. DPH's SSI Evaluation Program is currently managed by a staff of 16 and temporarily located at the Department of Human Services facility at 1235 Mission Street which occupies 400 square feet of dedicated space. Staff also use shared space at that location. According to Ms. Leyva, this proposed lease would allow the 16 staff of the SSI Evaluation Program to relocate from the DHS facility on Mission Street to the Windsor Hotel. In addition, four staff from DPH's Homeless Death Prevention Program would also relocate from their current location at the Tom Waddell Health Center at 50 Ivy Street into the proposed office space. The new proposed location would therefore accommodate a total staff of 20 in 5,657 square feet. Therefore, the Windsor Hotel facility would provide the SSI Evaluation Program with dedicated space of 5,257 square feet more than the space available at 1235 Mission Street. Ms. Leyva notes that the additional 5,257 square feet of space at the Windsor Hotel would also provide private office space for consultation with clients, as well as general office space and conference rooms.

4. According to Ms. Leyva, if the SSI Evaluation Program relocates to the Windsor Hotel under the proposed lease, the Department of Human Services would use the 400 square feet of vacated space at the 1235 Mission Street facility for additional space for DHS caseworkers.

5. The Homeless Death Prevention Program occupies approximately 300 square feet of space at the Tom Waddell Health Center. According to Ms. Leyva, if the Homeless Death Prevention unit relocates to the Windsor Hotel under this proposed lease, it would relieve congestion at the Tom Waddell Health Center.

6. According to Ms. Leyva, if the City enters into the proposed lease, DPH would expend \$140,000 to build general office space and private offices for consultations. DPH reports that funds are available in their FY 1999 - 2000 budget.



Memo to Finance Committee and Labor Committee  
April 12, 2000 Finance and Labor Committee Meeting

7. Mr. Mark Zuffo, of the Department of Real Estate, has stated that the proposed lease represents fair market rental value.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 4 - File 00-0486

REVISED 4/7/00

**Department:** Mayor's Office of Community Development (MOCD)

**Item:** Resolution approving the FY 2000-2001 Emergency Shelter Grants Program and expenditure schedule and authorizing the Mayor, on behalf of the City and County of San Francisco, to apply for, accept, and expend a \$890,000 entitlement under the Emergency Shelter Grants Program from the Federal Department of Housing and Urban Development.

**Amount:** \$890,000

**Source of Funds:** Federal Department of Housing and Urban Development (HUD)

**Grant Period:** July 1, 2000 through June 30, 2001

**Description:** The HUD Emergency Shelter Grants Program was first established under the Stewart B. McKinney Homeless Assistance Act in July of 1987. The program is designed to assist in (a) improving the quality of existing emergency shelters for the homeless, (b) making available additional emergency shelters, and (c) meeting the costs of operating emergency shelters. The goal of the program is to provide certain essential social services to homeless individuals so that those persons have access to the support services needed to improve their situations.

The Mayor's Office of Community Development (MOCD) is responsible for administering and monitoring the Emergency Shelter Grants Program (ESGP). Funds from the ESGP are budgeted under five categories, three program categories (Essential and Social Services, Maintenance and Operating Expenses, and Homeless Prevention Services) and two other categories (MOCD Administration and an Emergency Shelter Grants Pool). MOCD proposes to allocate grant funds in the amount of \$890,000 from the FY 2000-2001 ESGP grant (which is \$1,000 less than the 1999 ESGP allocation of \$891,000) to 14 projects in the three program categories noted above, to administrative costs, and to the Emergency Shelter Grants Pool.

Approval of the proposed resolution would (a) authorize the MOCD to accept and expend the FY 2000-2001 Emergency Shelter Grant and (b) approve the FY 2000-2001 Emergency Shelter Grants Program and expenditure schedule.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance and Labor Committee  
 April 12, 2000 Finance and Labor Committee Meeting

**Budget:** The proposed summary budget for the ESGP allocation of \$890,000 is as follows:

<u>Program</u>	<u>FY 1999-2000 Budget</u>	<u>Proposed FY 2000-2001 Budget</u>	<u>Increase/ (Decrease from FY 1999-2000 Budget</u>
American Red Cross	\$68,000	\$68,000	\$ -
Asian Women's Shelter	56,000	56,000	-
Catholic Charities	25,000	25,000	-
Compass Community Services	50,000	50,000	-
Dolores Street Community Services	41,000	48,000	7,000
Episcopal Community Services	40,000	40,000	-
Friendship House Association	36,900	36,900	-
Hamilton Family Center, Inc.	43,000	50,000	7,000
La Casa de las Madres	77,300	77,300	-
Larkin Street Youth Center	54,000	54,000	-
Metropolitan Community Foundation	0	47,000	47,000
St. Vincent de Paul Society	20,000	20,000	-
Swords to Plowshares	38,600	38,600	-
United Council of Human Services	96,000	96,000	-
Emergency Shelter Pool	120,350	138,700	18,350
MOCD Administration (5%)	44,500	44,500	-
Programs Not Funded in FY 2000-2001	<u>80,350</u>	<u>-</u>	<u>(80,350)</u>
<b>Total</b>	<b>\$891,000</b>	<b>\$890,000</b>	<b>(\$1,000)</b>

The Attachment, provided by MOCD, contains the ESGP FY 1999-2000 budget and FY 2000-2001 proposed budget, and a list, including descriptions, of the above programs. Of the programs noted above, one program is new and 3 have increased funding from the FY 1999-2000 ESGP budget, for a total of increased funding of \$79,350. Additionally, programs funded in FY 1999-2000, totaling \$80,350, were not funded in FY 2000-2001. The total ESGP allocation in FY 2000-2001 of \$890,000 is \$1,000 less than the FY 1999-2000 allocation of \$891,000.

The Budget Analyst has reviewed budgets for four programs with increased funding. (Hamilton Family Center, Dolores Street Community Services, the Metropolitan Community Foundation, and the Emergency Shelter Pool). These programs are discussed below.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Hamilton Family Center, Inc. \$50,000

The proposed budget of \$50,000 for Hamilton Family Center, Inc. is \$7,000 or 16.3 percent more than the FY 1999-2000 allocation of \$43,000. According to Mr. Jon Pon, the proposed allocation would be used for rent at 1525 Waller Street. Mr. Pon states that the rent paid by Hamilton Family Center at 1525 Waller Street is currently \$74,784 annually (9,750 square feet at \$0.64 per square foot per month), and that, on July 1, 2000, the rent will increase to \$80,772, an annual rent increase of \$5,988 or 8 percent

Dolores Street Community Services \$48,000

According to Mr. Pon, \$48,000 has been allocated to Dolores Street Community Services in FY 2000-2001, which is \$7,000, or 17 percent, more than the FY 1999-2000 allocation of \$41,000. Mr. Pon states that increased funds in the amount of \$7,000 would be used to partially fund the program director and case manager positions in the employment advocacy program for Latino working homeless.<sup>1</sup>

Metropolitan Community Foundation \$47,000

The Board of Supervisors approved allocation of \$23,416 of Emergency Shelter Pool funds in December of 1999 for the Metropolitan Community Foundation's – Mission High Shower Project for homeless persons (File 99-2144). In FY 2000-2001, MOCD recommends an allocation of \$47,000 to the Metropolitan Community Foundation for the continuation and expansion of Mission High School Shower Project. The Mission High School Shower Project is funded by private and non-City donations and grants, as well as the subject \$47,000 in ESGP monies, for a total budget of \$199,728. The Budget Analyst has reviewed details for the proposed budget and finds them to be reasonable.

Emergency Shelter Pool \$138,700

MOCD has proposed allocating \$138,700 in ESGP funds to the Emergency Shelter Pool in FY 2000-2001, which is \$18,350 or 15 percent more than the \$120,350 allocated in FY 1999-2000. Mr. Pon states that the increased funds are necessary because the

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<sup>1</sup> The Dolores Street Community Services program's proposed FY 2000-2001 budget has budgeted for 1.0 FTE Case Manager at \$30,000 annually and 1.0 FTE Program Director at \$37,000 annually.

City anticipates a reduction in other Stewart B. McKinney Homeless Assistance Act funds in FY 2000-2001 compared to FY 1999-2000.<sup>2</sup> The increased funds in the Emergency Shelter Pool would be used to provide emergency homeless shelter services in the winter of 2000-2001. The Budget Analyst recommends placing Emergency Shelter Pool funds in the amount of \$138,700 on reserve, pending submission of a program plan and budget.

**Required Match:** HUD requires one-to-one matching funds, totaling \$890,000, for the ESGP funds. According to Ms. Julie Brenman of DHS, such matching funds have been budgeted in the proposed FY 2000-2001 DHS budget.

**Indirect Costs:** None provided by the ESGP grant.

**Comments:** 1. As noted above, the subject ESGP grant would allocate funds to (a) 14 nonprofit agencies, (b) to administrative costs and (c) to the Emergency Shelter Pool. The Budget Analyst recommends approval of existing programs with the same funding level as the prior year. Approval of programs with increased funding is a policy matter for the Board of Supervisors. Additionally, the Budget Analyst recommends placing \$138,700 allocated to the Emergency Shelter Pool on reserve, pending submission of a program plan and budget details.

2. The MOCD has prepared a Disability Access Checklist, which is on file with the Clerk of the Board.

**Recommendations:** 1. Approve funding in the amount of \$690,300 (\$890,000 less new or increased funding of \$61,000, less \$138,700 to be placed on reserve).

2. Place \$138,700 for the Emergency Shelter Pool on reserve, as noted in Comment No. 1.

3. Approval of funding in the amount of \$61,000 for expanded programs including a \$7,000 increase for Dolores Street Community Services, a \$7,000 increase for Hamilton Family Center and \$47,000 for the Metropolitan Community Foundation to expand the Mission High School shower project is a policy matter for the Board of Supervisors.

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<sup>2</sup> According to Ms. Julie Brenman of the Department of Human Services (DHS), HUD awarded \$9,000,000 to DHS in Federal McKinney funds in FY 1999-2000. Ms. Brenman states in FY 2000-2001, DHS expects to receive \$6,900,000 in McKinney funds, a \$2,100,000 decrease from FY 1999-2000. Such funds are used to provide supportive and transitional housing and social services to homeless San Franciscans.



Agency	FY99	FY00 RQ	FY00 Rec	Change
<b>Emergency Shelter Grant</b>				
American Red Cross Bay Area, SF	68,000	88,000	68,000	0
Asian Women's Shelter	56,000	56,000	56,000	0
Catholic Charities /St. Joseph's Village	25,000	25,750	25,000	0
Compass Community Services	50,000	50,000	50,000	0
Dolores St Community Services/So Van Ness Loc	41,000	48,000	48,000	7,000
Emergency Shelter Pool	120,350		138,700	18,350
Episcopal Community Services of SF	40,000	45,000	40,000	0
Friendship House Association of American Indians, Inc.	36,900	63,950	36,900	0
Hamilton Family Center, Inc	43,000	50,000	50,000	7,000
La Casa de las Madres	77,300	110,000	77,300	0
Larkin Street Youth Center	54,000	65,000	54,000	0
Metropolitan Community Foundation	0	76,700	47,000	47,000
MOCD (5% Admin)	44,550	44,772	44,500	-50
St Vincent DePaul Society	20,000	30,000	20,000	0
Swords to Plowshares	38,600	46,764	38,600	0
United Council of Human Services (The)	96,000	276,000	96,000	0
Central City Hospitality House	10,300	21,700	0	-10,300
Volunteer Legal Services Program/SF Bar Assn	60,000	80,000	0	-60,000
Asian Law Caucus	0	30,600	0	0
Booker T Washington Community Service Center	0	50,000	0	0
Metropolitan Community Foundation	0	119,728	0	0
Tides Center/SF Eviction Defense Collaborative	0	30,600	0	0
Central City Hospitality House (Orlando)	10,000	0		-10,000
Salvation Army (Lifeboat Lodge)	0	0		0
				0
<b>TOTAL EMERGENCY SHELTER</b>	<b>891,000</b>	<b>1,408,564</b>	<b>890,000</b>	<b>-1,000</b>



## Emergency Shelter Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>Proposed Budget</u>
<b>Emergency Shelter Grants</b>		
<i>These projects are directed specifically towards services extended towards homeless individual and families.</i>		
1. American Red Cross (Bay Area) 85 2nd Street	Provide back rent grants to eligible single non-disabled adults to prevent eviction	\$68,000
2. Asian Women's Shelter (Confidential)	Provide shelter and support services to battered women and their children	\$56,000
3. Catholic Charities 314 Mission Street, Mezzanine	Provide security deposits and other assistance to those in danger of eviction.	\$25,000
4. Compass Community Services 111 Taylor Street	Provide emergency shelter to homeless families	\$50,000
5. Dolores Street Community Services 938 Valencia Street	Provide employment development services to homeless immigrant latino men	\$48,000
6. Episcopal Community Services of SF 201 8th Street	Provide shelter services, comprehensive case management and on-site job counseling	\$40,000
7. Friendship House Association of American Indians 80 Julian Avenue	Provide shelter to homeless American Indian adults seeking treatment and counseling for alcohol/substance abuse addictions	\$36,900
8. Hamilton Family Center, Inc 1525 Waller Street	Provide emergency shelter to homeless families	\$50,000

## *Emergency Shelter Grant Program*

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>Proposed Budget</u>
9. La Casa de las Madres (Confidential)	Provide shelter and 24-hour bilingual crisis line, drop-in program, and counseling services to battered women and their children	\$77,300
10. Larkin Street Youth Center 538 Central Avenue	Provide emergency shelter and related services to runaway youth ages 12-17	\$54,000
11. Metropolitan Community Foundation 3750 18th Street	Provide showers and personal hygiene services as part of Mission High School Shower Project to the homeless	\$47,000
12. St. Vincent de Paul Society of SF (Confidential)	Provide emergency shelter for battered women and their children	\$20,000
13. Swords to Plowshares 1063 Market Street	Provide case management assistance to homeless and at-risk veterans to access and protect disability income and medical benefits	\$38,600
14. United Council of Human Services 2111 Jennings Street	Provide services to homeless or at-risk of becoming homeless, including pantry program, food bag program, hot meal program, clothing bank, life skills training, crisis counseling and coordinated referrals	\$96,000
15. Emergency Shelter Pool c/o MOCD	Provide emergency funding for homeless projects throughout the year	\$138,700
16. MOCD/ESG Administration c/o MOCD	Administration of ESG Program	\$44,500
GRAND TOTAL EMERGENCY SHELTER PROGRAM		\$890,000

Item 5 - File 00-0487

**Department:** Mayor's Office of Housing (MOH)

**Item:** Resolution (a) authorizing the Mayor to apply for, accept and administer a grant from the U.S. Department of Housing and Urban Development for a total amount not to exceed \$7,115,000 for the Home Program authorized under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, and (b) approving the Home Program description, as described in the 2000 Action Plan for San Francisco's Consolidated Plan. This resolution states that indirect costs associated with the acceptance of these grant funds will be paid by Community Development Block Grant funds.

**Amount:** Not to exceed \$7,115,000

**Grant Period:** July 1, 2000 through June 30, 2001

**Source of Funds:** U.S. Department of Housing and Urban Development (HUD)

**Project:** Home Investment Partnership (HOME) Program

**Description:** The HOME Program is authorized under Title II of the National Affordable Housing Act of 1990 (Public Law Number 101-625). The Act provides funds for the acquisition, rehabilitation, and development of privately-owned affordable housing.

In August of 1994, HUD issued regulations requiring that a Consolidated Plan be developed for (a) the HOME Program, (b) the Housing Opportunities for People with AIDS (HOPWA) Program, and (c) the Community Development Block Grant (CDBG) Program. In response, MOH has developed a "Preliminary 2000 Action Plan for the City and County of San Francisco, Draft for Public Review"<sup>1</sup>. The

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<sup>1</sup> The "Preliminary 2000 Action Plan for the City and County of San Francisco, Draft for Public Review", dated March 30, 2000, contains the City's plans and programs for privately-owned housing, totaling \$82,388,311, as shown on the following page. The final 2000 Action Plan will reflect the program funding requests approved by the Board of Supervisors in this subject HOME Program legislation, and legislation being considered by the Finance and Labor Committee (Files 00-0486 and 00-0488).

MOH advises that the Preliminary 2000 Action Plan, when finalized to reflect the program funding to be approved by the Board of Supervisors for the three programs noted above, will function as the MOH grant application for HOME program funding from HUD. MOH and the Mayor's Office of Community Development (MOCD) must submit the 2000 Action Plan to HUD by May 15, 2000. According to the Preliminary 2000 Action Plan for privately owned housing development and administrative costs, the MOH anticipates receiving \$7,115,000, which is \$38,000 or 0.5 percent more than the 1999 allocation of \$7,077,000.

Projected funds for the Preliminary 2000 Action Plan for privately owned housing developments in San Francisco totals \$ 82,294,835, including \$6,197,376 of the proposed \$7,115,000 HOME grant allocation <sup>2</sup> and various other sources of funding, as follows:

Funding Source		Amount
<i><b>Federal Funds</b></i>		
HOME	\$6,197,376	
CDBG <sup>3</sup>	5,406,501	
CDBG Program Income	240,000	
HOPWA	<u>185,508</u>	
<i>Subtotal, Federal Funds</i>		\$12,029,385
<i><b>Local Sources</b></i>		
Hotel Tax Fund	4,900,000	
Citywide Tax Increment (T.I.)	19,275,000	
SOMA T.I.	10,000,000	
Western Addition T.I.	12,275,000	
Mission Bay	4,000,000	
Bonds: Development Account	16,842,750	
Bonds: Down-payment Assistance Account	<u>2,969,700</u>	
<i>Subtotal, Local Funds</i>		\$70,262,450
<b>Total</b>		<b>\$82,291,835</b>

<sup>2</sup> The funding sources noted above are for capital projects only. Of the proposed HOME grant, totaling \$7,115,000, \$6,197,376 is designated for capital projects (including acquisition and rehabilitation and new housing construction), \$56,474 is designated for tenant rental assistance, and \$861,150 is designated for HOME administrative costs.

<sup>3</sup> Community Development Block Grant (CDBG) funds are the subject of File 00-0488.

**REVISED 4/7/00**  
**Item 5 - File 00-0487**

The proposed total 2000 HOME Program funds of \$7,115,000 represents approximately 8.6 percent of the total \$ 82,291,835 in projected funds for privately owned housing development in San Francisco.

Procedures for allocating HOME Program funds were approved by the Board of Supervisors in August of 1992 (File 68-92-4.1) and revised in February of 1994 (File 68-94-7). These procedures outlined broad criteria and the process for allocating the HOME Program funds, including notification procedures to interested parties on the availability of housing funds, evaluation of funding proposals, and criteria for underwriting housing loans. Procedures eligible for HOME funding are defined as follows:

- (a) Construction of new housing units or rehabilitation of existing housing units, which will be owned and managed by the applicant for HOME funding, and which will be occupied by households with incomes that do not exceed 60 percent of the median income established by HUD; or
- (b) First-time home ownership assistance for low-income persons with household incomes that do not exceed 80 percent of the median income established by HUD.

HOME regulations require that a minimum of 15 percent of the City's proposed FY 2000-2001 HOME allocation of \$7,115,000, or \$1,067,250, be reserved for housing developed, sponsored or owned by non-profit Community Housing Development Organizations (CHDO). According to Mr. Joe LaTorre of MOH, nearly all of San Francisco's affordable housing development efforts in recent years have been conducted in collaboration with local community-based non-profit housing development corporations, several of which have satisfied HUD requirements to qualify as CHDOs. CHDOs are expected to continue performing the roles that non-profit housing development corporations have traditionally performed in San Francisco, including acquisition and rehabilitation of existing buildings, acquisition of sites and development of new housing, and ownership and management of subsidized developments.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



**Budget:** The proposed summary budget for the subject HOME Investment Partnership Program grant is as follows:

Program	FY 1999-2000 Budget	FY 2000-2001 Budget	Increase/ (Decrease) in FY 2000-2001
<i>Acquisition and rehabilitation of housing units for low-income households</i>			
• Per unit cost greater than \$25,000	\$2,897,288	\$2,339,249	(\$558,039)
• Per unit cost less than \$25,000	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>
Subtotal, Acquisition/ Rehabilitation	\$4,397,288	\$3,839,249	(\$558,039)
<i>New housing construction</i>	\$1,824,109	\$2,358,127	\$534,018
<i>Tenant-based housing assistance</i>	\$36,474	\$56,474	\$20,000
<i>Administrative Costs</i>			
Community Housing Corporation	150,000	150,000	0
MOH HOME Program	488,134	557,571	69,437
Other administrative costs	<u>182,995</u>	<u>153,579</u>	<u>(29,416)</u>
Subtotal, Administrative Costs	\$821,129	\$861,150	\$40,021
<b>Total</b>	<b>\$7,079,000</b>	<b>\$7,115,000</b>	<b>\$36,000</b>

**Required Match:** \$1,778,750 or 25 percent of HOME grant funds. Mr. LaTorre states that matching funds are available from the Home Tax Fund, identified as a local funding source on the previous page. Such matching funds would be part of the total funding of \$82,291,835 for privately owned housing developments, identified by the Preliminary 2000 Action Plan for the City and County of San Francisco.

**Comments:** 1. According to Mr. LaTorre, MOH will issue "Notices of Funding Availability" to nonprofit developers for (a) development of supportive housing<sup>4</sup> units (\$2,339,249), and (b) preservation of existing nonprofit-owned housing (\$1,500,000). Additionally, \$2,358,127 will be allocated to Bridge Housing Corporation, a nonprofit developer, for an existing project to construct new family rental housing at 1 Church Street. This total funding of \$6,197,376 represents 87.1 percent of the \$7,115,000 in HOME funding.

<sup>4</sup> Supportive housing provides necessary social services as well as housing to low-income residents.



2. Mr. LaTorre states that tenant-based housing assistance is provided by Catholic Charities Homeless Prevention Program to assist low-income tenants in avoiding eviction.

3. As shown in the table above, total administrative costs in the proposed FY 2000-2001 HOME Investment Partnership Program are \$861,150, which is \$40,021 or 4.9 percent more than total administrative costs in the FY 1999-2000 budget of \$821,129 (\$150,000 plus \$488,134 plus \$182,995). The FY 2000-2001 MOH HOME program administration costs of \$557,571 are \$69,437 or 14.2 percent more than the FY 1999-2000 allocation of \$488,134. According to Mr. Roger Sanders of MOCD, the increased HOME program administration costs are due to increased salary costs for the existing 5.05 program FTES, including negotiated salary increases, salary step increases, and the associated increase in fringe benefits. The Attachment, provided by Mr. Sanders, contains the budget details for the proposed FY 2000-2001 HOME administrative budget. The Budget Analyst has reviewed the FY 1999-2000 and FY 2000-2001 HOME administrative budgets.

4. Mr. LaTorre states that \$150,000 in administrative costs would be allocated to the Community Housing Corporation, which is unchanged from the amount allocated in FY 1999-2000. Of the \$150,000, the Chinese Community Housing Corporation, the Mission Housing Development Corporation, and the Tenderloin Neighborhood Development Corporation would each be allocated \$50,000.

5. Section 1.C of MOH Criteria and Procedures for allocating HOME Program funds requires that the Director of MOH submit an Annual Report to the Board of Supervisors by March 31 of each year for the preceding calendar year, providing an accounting of all HOME program funds received by the City and how the funds were expended. According to Mr. LaTorre, the most recent Annual Report, for calendar year 1999, is in final editing and will be submitted to the Board of Supervisors by April 7, 2000.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

## Mayor's Office of Housing HOME Administrative Expenditure Schedule 2000

Pgm	Grant	Mat	ID	Line Item	Description	St	Sub-Obj	Admin
	MOHM00	21H	x	Class	Title		FTE	
	MOHM00	21H		1367	Special Assistant VIII	Alv/Ann	0.20	\$ 9,892
	MOHM00	21H		1369	Special Assistant X		2.50	\$ 144,430
	MOHM00	21H		1370	Special Assistant XI		0.50	\$ 28,071
	MOHM00	21H		1371	Special Assistant XIV		0.50	\$ 31,711
	MOHM00	21H		1374	Special Assistant XII		0.50	\$ 43,117
	MOHM00	21H		1377	Special Assistant Program Development		0.10	\$ 10,489
	MOHM00	21H		9774	Sr Community Development Specialist		0.75	\$ 48,507
	MOHM00	21H		Personnel	Labor Costs		5.05	\$ 316,217
	MOHM00	21H		Personnel	Labor Costs Fringes @ .22			\$ 69,568
	MOHM00	21H		Personnel	Labor Costs Total			\$ 385,785
	MOHM00	21H		Personel	Salary Savings @ .05			\$ (19,289)
		21H		Personel	Negotiated Increases @ .04			\$ 15,431
	MOHM00	21H		Conferences & Travel	Conference Travel			\$ 5,000
	MOHM00	21H		Dravage/Freight	File Safe			\$ 500
	MOHM00	21H		Equipment	Lease Photocopier			\$ 5,000
	MOHM00	21H		Equipment	Maintenance & Repair			\$ 1,000
	MOHM00	21H		Equipment	Auto Fuel & Maintenance			\$ 1,000
	MOHM00	21H		Legal & Display Advertising				\$ 1,000
	MOHM00	21H		Memberships				\$ 1,500
	MOHM00	21H		Postage				\$ 2,500
	MOHM00	21H		Printing				\$ 5,000
	MOHM00	21H		Rental Space	25 Van Ness Lease			\$ 70,644
	MOHM00	21H		Supplies	Office Supplies			\$ 5,000
	MOHM00	21H		Telecommunications	Telephone Services			\$ 5,000
	MOHM00	21H		Training				\$ 2,500
	MOHM00	21H		TOTAL				\$ 487,571
	MOHM00	21H		Professional Services	Environmental Review			\$ 15,000
	MOHM00	21H		Professional Services	City Planning			\$ 10,000
	MOHM00	21H		Professional Services	City Attorney			\$ 25,000
	MOHM01	21H		Professional Services	Controller			\$ 10,000
	MOHM00	21H		Professional Services	Real Estate			
	MOHM00	21H		Professional Services	ADA			
	MOHM00	21H		Professional Services	Other			\$ 10,000
	MOHM00	21H		Total HOME				\$ 557,571

Item 6 - File 00-0488

**Department:** Mayor's Office of Community Development  
(MOCD)

**Item:** Resolution approving the 2000 Community Development Program authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's 2000 Community Development Block Grant (CDBG) Entitlement from the U.S. Department of Housing and Urban Development, and program income generated by the San Francisco Redevelopment Agency up to \$33,734,275 which include indirect costs of \$160,000; and approving expenditure schedules for recipient departments and agencies for indirect costs.

**Description:** Refer to the Budget Analyst's separate report of April 12, 2000 on the Mayor's proposed 2000 Community Development Program.

Item 7 - File 00-0521

**Department:** Port

**Item:** Hearing requesting the release of reserves in the amount of \$235,343 to fund the completion of the Hyde Street Fishing Harbor Project.

**Amount:** \$235,343

**Source of Funds:** California Department of Boating and Waterways (CDBW), in the form of loan proceeds

**Description:** In 1988, the Port began a project to revitalize commercial fishing at Fisherman's Wharf. This project included, among other projects, the Hyde Street Fishing Harbor Project, which consisted of a waterside vessel berthing facility and associated improvements to nearby land

In May of 1988 the Board of Supervisors approved a request by the Port to apply for and accept loan funds in the amount of \$3,000,000 from the California Department of Boating and Waterways (CDBW) to fund the Hyde Street Fishing Harbor Project (Resolution 374-88). In April of 1994 the Board of Supervisors approved a resolution to increase the amount of the loan by \$500,000, to a total loan amount of \$3,500,000 (Resolution 350-94).

In January of 1998, the Board of Supervisors appropriated the \$3,500,000 in loan proceeds for the Phase 1 Hyde Street Fishing Harbor Project. Of the \$3,500,000 amount appropriated, \$3,229,700 was placed on reserve, pending confirmation of contractor selection and submission of budget details (Ordinance No. 40-98).

Since the initial placement of the \$3,229,700 on reserve, the Finance and Labor Committee has approved release of funds for the project three times: for design costs, dredging and disposal work, and for Phase 1 demolition and construction work, respectively (for further details, see Comment No. 1). Thus far, total reserve funds of \$2,994,357 have been released by the Finance Committee, leaving a balance of \$235,343 remaining on reserve.

In addition to the remaining \$235,343 on reserve for the Hyde Street Fishing Harbor Project, the Port has also appropriated an additional \$2,075,228 for Phase 2 of the project. The other sources of funding for Phase 2 of the project are CDBW grant funds (approved by the Board of Supervisors in FY 1998-99 – Resolution 552-98) in the amount of \$86,500 and Port Capital Budget funds approved in the FY 1998-99 Port budget in the amount of \$1,988,728 (for a total of \$2,075,228).

The Port now requests that the \$235,343 balance in CDBW loan funds remaining on reserve for the Hyde Street Fishing Harbor Project be released as additional funding for Phase 2. If this request is approved, total funds appropriated for Phase 2 would be \$2,310,571 (\$2,075,228 in previously appropriated funds for Phase 2 of the project plus the \$235,343 remaining reserved funds from Phase 1 of the project). Specifically, Phase 2 of the Project would include construction of new utilities along Hyde Alley, partial demolition of the 490 Jefferson St. building to accommodate a new 24 car parking lot, a new parking lot at the North end of Hyde Alley to accommodate 21 parking stalls, new bathrooms and a utility and storage facility located within the existing blue shed building on Hyde Alley, and public and disability access from Jefferson Street to the public access area at the North end of Hyde Alley.

**Budget:** A summary budget for the proposed Phase 2 of the Hyde Street Fishing Harbor project is as follows:

<b>Hyde Street Fishing Harbor Project</b>	
Demolition/Asbestos removal & disposal	\$188,419
Paving parking lots and pedestrian areas	150,000
Storm drain work	250,000
Gas and electrical service	265,000
Fuel pier bilge pump-out and lines	100,000
Jefferson St. building & loading dock, Extend existing wood pier	200,000
Concrete	400,000
Aluminum railing, chain link fence, and Gate structure	70,000
Signage	70,000
Trench shoring to provide safety and temporary Support	5,000
Restroom, utility rooms, and storage facility	200,000
Pilings	135,100
Parking area A/Lot B	<u>67,000</u>
<b>Total Bid Price</b>	<b>\$2,100,519</b>
10% contingency reserve	<u>210,052</u>
<b>Total Project Budget*</b>	<b>\$2,310,571</b>

\* See comment No. 4.

**Comments:** 1. The table on the following page is a summary of prior actions by the Board of Supervisors on the \$3.5 million in CDBW loans previously appropriated to the Port in January of 1998 for the Hyde Street Fishing Harbor Project, including the proposed release of \$235,343 in reserved funds:



Memo to Finance and Labor Committee  
 April 12, 2000 Finance and Labor Committee Meeting

<u>January 1998</u>	\$3,500,000 in Funds Appropriated, with \$3,229,700 Placed on Reserve	\$3,229,700
<u>July 1998</u>	Release of Reserved Funds For Design Costs	(132,857)
<u>October 1999</u>	Release of Reserved Funds For Pre-Construction Dredging and Disposal Work	(260,000)
<u>February 2000</u>	Release of Reserved Funds for Demolition and Construction Work (Phase 1)	(2,601,500)
<u>April 2000</u>	<i>Proposed Subject Release of Reserves (Phase 2)</i>	<u>(235,343)</u>
	<i>Balance of Funds that would Remain on Reserve</i>	<b>\$0</b>

2. Ms. Veronica Sanchez of the Port anticipates that construction of the final stage of the Hyde Street Fishing Harbor Project will commence April 17, 2000 and be completed by October 3, 2000.

3. According to Ms. Sanchez, after a competitive selection process, the Port awarded a construction contract to Proven Management, Inc., who submitted the lowest responsible bid of \$2,100,519 for the Phase 2 Project, on March 14, 2000. Attachment I to this report, provided by the Port, contains a list of all firms that submitted bids for this project and the amount of each bid. The lowest bidder, Darcy & Harty Construction, submitted a bid of \$1,992,500, which was \$108,019 less than the bid by Proven Management, Inc. However, Ms. Imani Haygood of the Port reports that, although Darcy & Harty Construction (a certified LBE contractor) had the lowest total bid, after MBE/WBE/LBE bid discounts were applied, Proven Management, Inc. was the lowest bidder. Darcy & Harty Construction received a 5% bid discount for their LBE status, whereas Proven Management received a 10% bid discount on their total bid for their MBE (5%) and LBE (5%) status.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

4. The total Phase 2 budget cost of \$2,310,571 is \$210,052 more than Proven Management's bid of \$2,100,519 because an additional 10 percent would be held as a contingency reserve.

5. Repayments on the \$3.5 million loan proceeds provided by the California Department of Boating and Waterways, are to commence on August 1, 2000. According to Ms. Sanchez, the Port will repay the \$3,500,000 CDBW loan over a period 28 years at an annual interest rate of 4.5 percent. Loan payments will total \$222,322.82 per year, and the Port's payments will ultimately total \$6,303,789<sup>1</sup> as identified in Attachment II provided by the Port. Attachment III, provided by the Port, lists all funding sources the Port plans to use to pay the \$3.5 million loan.

6. The Port Commission approved an Environmental Impact Report (EIR) for the project in December of 1996.

**Recommendation:** Approve the requested release of reserved funds.

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<sup>1</sup> This total includes 28 annual payments of \$222,322.82 plus a one time post-construction interest payment of \$78,750.

# BID SUMMARY RESULT

Project: Hyde St. Harbor landside Improvements  
Contract No.: 2664  
Project Engineer: Joe Roger  
Project Manager: Mojgan Youselkhan

Prepared By: Mojgan Youselkhan  
Checked By: CMA  
Date: 2/18/00  
Bids Opened: 2/17/00

Bld Item	DESCRIPTION	Ogiso Environmental* SF, CA	Darcey & Harly Cons.** SF, CA		Peak Eng* SF, CA		Proven Mang. Inc.* SF, CA		Lindquist Van Hook SF, CA	
		Amount	Amount		Amount		Amount		Amount	
LS-1	Demolish, abandon, remove, and repair all items as noted in the specification and as shown on the project plans. Asbestos removal and disposal at 400 Jefferson Street.	\$293,860.69	\$90,000.00		\$375,000.00		\$188,419.00		\$175,187.00	
LS-2	Paving: Parking lots and pedestrian areas including Striping. Paving of pier 2 1/2' Ac. paving over concrete slab, paving of roadway and parking lots, all earthwork required at site. Off-lot and replacement of Class I and II material for lump sum item.	\$310,677.60	\$210,000.00		\$300,000.00		\$150,000.00		\$347,937.00	
LS-3	Connection of storm drain to existing connection of sewer to existing, water boxes. Pick-up and connect water system from Waterside Project. Storm drain piping under pier (6'). Storm drain piping landside (8'), and storm drain piping landside (10'). Deck drains, catch basins, manhole (S.D.), oil/water separator. Sewer line (3'). Sewer line (4'). Water line (2 1/2') Water line (8'). Water Line (1-1/2'). Double check valve. Water meter. sump pump discharge line. Fuel pier deck drains. Restroom/storage building sewer and water.	\$34,636.80	\$245,000.00		\$250,000.00		\$250,000.00		\$190,683.00	
LS-4	Gas service	\$7,005.60	\$6,000.00		\$2,000.00		\$5,000.00		\$44,940.00	
LS-5	All landside electrical service Pick-up waterside electric. Pick-up telephone system from Waterside Project. All Landside telephone system, Light fixtures, Type AA, and Type BB. Remote infrared sign system conduits.	\$390,344.80	\$300,000.00		\$210,000.00		\$260,000.00		\$385,079.00	

Project: Hyde St. Harbor landside Improvements  
 Contract No.: 2564  
 Project Engineer: Jo J Roger  
 Project Manager: Molgan Youselkhan

Prepared By: Molgan Youselkhan  
 Checked By: CMA  
 Date: 2/18/00  
 Bids Opened: 2/17/00

Bid Item	DESCRIPTION	Oglso Environmental* SF, CA	Darcy & Hartly Cons.** SF, CA	Peak Eng* SF, CA	Proven Mang. Inc.* SF, CA	Lindquist Van Hook SF, CA
LS-6	Fuel pier bilge pump-out and lines. Fuel pier boiding tank pump-out and lines. Duplex pump station and Drain ejector pit. Fuel filling point. Relocate tank pilot light. Fuel Pier hose bib. Diesel fuel lines. Fuel system transmission lines. Install fiber reinforce plastic pans and grating at fuel pier.	\$347,479.20	\$260,000.00	\$260,000.00	\$100,000.00	\$312,149.00
LS-7	Jefferson St building and loading dock, wood pier, Fuel pier access ramp. Wood railing, Boilards, Bull rail.	\$210,000.00	\$150,000.00	\$250,000.00	\$200,000.00	\$150,949.00
LS-8	Concrete sidewalk, Concrete curb, Concrete ADA ramps, 6" Thick Concrete Slab, and Concrete walls	\$121,116.00	\$200,000.00	\$175,000.00	\$400,000.00	\$291,468.00
LS-9	Aluminum railing, Chain link fence, and gate structure	\$90,000.00	\$50,000.00	\$50,000.00	\$70,000.00	\$80,250.00
LS-10	Site furnishings, signage, including infra-red Signage	\$100,566.00	\$70,000.00	\$60,000.00	\$70,000.00	\$120,470.00
LS-11	Trench shoring or equivalent method of safety protection	\$8,000.00	\$10,000.00	\$2,000.00	\$5,000.00	\$26,429.00
LS-12	Restroom, Utility rooms, and Storage facility	\$126,000.00	\$225,000.00	\$200,000.00	\$200,000.00	\$168,559.00
UP-1	14" Concrete Filled Steel Piles	\$193,488.00	\$111,200.00	\$180,700.00	\$125,100.00	\$199,048.00
UP-2	Splicing of Steel Piles	\$540.00	\$300.00	\$1,000.00	\$10,000.00	\$500.00
	<b>Grand Total All Lump Sump Items and Unit Price Items</b>	<b>\$2,239,714.69</b>	<b>\$1,927,500.00</b>	<b>\$2,315,700.00</b>	<b>\$2,033,519.00</b>	<b>\$2,509,648.00</b>
ALT-1	Refer to Document 00410	\$71,454.00	\$65,000.00	\$100,000.00	\$67,000.00	\$54,355.00
	<b>Grand Total Bid Plus Alt-1</b>	<b>\$2,311,168.69</b>	<b>\$1,992,500.00</b>	<b>\$2,415,700.00</b>	<b>\$2,100,519.00</b>	<b>\$2,564,003.00</b>
	<b>Grand Total after applying Bid Discount</b>	<b>\$2,080,051.82</b>	<b>\$1,892,875.00</b>	<b>\$2,174,130.00</b>	<b>\$1,890,467.10</b>	<b>\$2,564,003.00</b>

5% Bid Discount Applied  
 10% Bid Discount Applied

The lowest responsive, responsible bidder is **PROVEN MANAGEMENT INC.**

bid summary

## PORT OF SAN FRANCISCO



DATE: February 16, 2000  
 TO: Emilie Neumann, Budget Analyst's Office  
 FROM: Veronica Sanchez, Port of San Francisco  
 RE: Attachment 3

Ferry Building  
 San Francisco, CA 94111  
 Telephone 415 274 0400  
 Fax 415 274 0228  
 www.sfbport.com

Release of Reserved Funds Hyde St. Harbor Waterside Improvements

## Cal Boating Loan Repayment Schedule

Payment	Start of Period	Annual Interest Rate	Scheduled Balance	Actual Balance	Scheduled Payment	Interest Portion	Principal Portion
1	08/00	4.50%	3,500,000.00	3,500,000.00	(222,322.82)	(157,500.00)	(64,822.82)
2	08/01	4.50%	3,435,177.18	3,435,177.18	(222,322.82)	(154,582.97)	(67,739.84)
3	08/02	4.50%	3,367,437.00	3,367,437.00	(222,322.82)	(151,534.68)	(70,755.14)
4	08/03	4.50%	3,296,649.20	3,296,649.20	(222,322.82)	(148,349.21)	(73,973.60)
5	08/04	4.50%	3,222,675.60	3,222,675.60	(222,322.82)	(145,020.40)	(77,302.04)
6	08/05	4.50%	3,145,373.18	3,145,373.18	(222,322.82)	(141,541.79)	(80,781.02)
7	08/06	4.50%	3,064,592.16	3,064,592.16	(222,322.82)	(137,906.65)	(84,416.17)
8	08/07	4.50%	2,980,175.98	2,980,175.98	(222,322.82)	(134,107.92)	(88,214.90)
9	08/08	4.50%	2,891,961.09	2,891,961.09	(222,322.82)	(130,138.25)	(92,184.57)
10	08/09	4.50%	2,799,776.52	2,799,776.52	(222,322.82)	(125,989.94)	(96,332.87)
11	08/10	4.50%	2,703,443.64	2,703,443.64	(222,322.82)	(121,654.95)	(100,667.85)
12	08/11	4.50%	2,602,775.79	2,602,775.79	(222,322.82)	(117,124.91)	(105,197.91)
13	08/12	4.50%	2,497,577.88	2,497,577.88	(222,322.82)	(112,391.00)	(109,931.81)
14	08/13	4.50%	2,387,646.07	2,387,646.07	(222,322.82)	(107,444.07)	(114,878.74)
15	08/14	4.50%	2,272,767.32	2,272,767.32	(222,322.82)	(102,274.53)	(120,048.29)
16	08/15	4.50%	2,152,719.04	2,152,719.04	(222,322.82)	(96,872.36)	(125,450.53)
17	08/16	4.50%	2,027,268.57	2,027,268.57	(222,322.82)	(91,227.09)	(131,095.73)
18	08/17	4.50%	1,896,172.84	1,896,172.84	(222,322.82)	(85,327.78)	(136,995.04)
19	08/18	4.50%	1,759,177.80	1,759,177.80	(222,322.82)	(79,163.00)	(143,159.82)
20	08/19	4.50%	1,616,017.99	1,616,017.99	(222,322.82)	(72,720.81)	(149,602.01)
21	08/20	4.50%	1,466,415.98	1,466,415.98	(222,322.82)	(65,988.72)	(156,334.10)
22	08/21	4.50%	1,310,081.88	1,310,081.88	(222,322.82)	(58,953.68)	(163,369.13)
23	08/22	4.50%	1,146,712.74	1,146,712.74	(222,322.82)	(51,602.07)	(170,720.74)
24	08/23	4.50%	975,992.00	975,992.00	(222,322.82)	(43,919.64)	(178,403.18)
25	08/24	4.50%	797,588.82	797,588.82	(222,322.82)	(35,891.50)	(186,431.32)
26	08/25	4.50%	611,157.50	611,157.50	(222,322.82)	(27,502.09)	(194,820.73)
27	08/26	4.50%	416,336.77	416,336.77	(222,322.82)	(18,735.15)	(203,587.66)
28	08/27	4.50%	212,749.11	212,749.11	(222,322.82)	(9,573.71)	(212,749.11)
TOTAL INTEREST FROM AMORTIZATION						(2,725,038.88)	
Interest to August 1, 2000						(78,760.00)	
TOTAL INTEREST COSTS						(2,803,798.88)	

Please refer to Attachment 1 (pages 3-4) for an itemization of the expected Port revenues to be used over the 28 year loan term to repay the loan. If you need further clarification, please contact Stephanie Downs, Finance Manager, at 274-0442.

2/16/00

4:11 PM



Page 3 of 4  
Budget Analyst's Office  
February 16, 2000  
Release of Reserved Funds for Hyde St. Harbor Waterside Improvements

## Hyde Street Harbor

### First Year Revenue

Monthly Commercial Berths	86,400
Transient Commercial Berths	14,800
Transient Recreational Berths	49,700
Side-Ties	9,792
Transient Fee - Pump-out	6,300
Metered Parking at Pier	16,200
Additional Fuel Wharfage	15,000
Telephone/Vending	<u>2,500</u>

\$200,692

### Sixth Year Revenue

\$227,065

Assumes 2.5% CPI adjustment  
per year

Increases to occur every 5 years.



**Port of Wilmington of Delaware  
Department of Finance  
Financial Services**

Page 4 of 4

Number of Berths	66
Linear Footage	40
Monthly Rental per ft. ft. (commercial)	\$5.00
Monthly Equivalent Rental per ft. ft. (recreational)	\$7.75
Vacancy rate	10.0%

Type of Berth	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	TOTAL
Permanent (Commercial)													
Number	40	40	40	40	40	40	40	40	40	40	40	40	
Monthly Revenue	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200	\$86,400
Transient (Commercial)													
Number	20	20	14									20	
Monthly Revenue	\$4,000	\$4,000	\$2,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000	\$14,800
Transient (Recreational)													
Number				20	20	20	20	20	20	20	10		
Monthly Revenue	\$0	\$0	\$0	\$6,200	\$6,200	\$6,200	\$6,200	\$6,200	\$6,200	\$6,200	\$3,100	\$0	\$46,500
Transient (non-peak)													
Number	0	0	6	0	0	0	0	0	0	0	10		
Monthly Revenue	\$0	\$0	\$1,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	\$0	\$3,200
Monthly Side-Tie Rev.	\$816	\$816	\$816	\$816	\$816	\$816	\$816	\$816	\$816	\$816	\$816	\$816	\$9,792
Total Berths Used	60	60	60	60	60	60	60	60	60	60	60	60	
Occupancy Rate	90.9%	90.9%	90.9%	90.9%	90.9%	90.9%	90.9%	90.9%	90.9%	90.9%	90.9%	90.9%	

Item 8 - File 00-0095

**Note:** This item was continued from the February 2, 2000 Finance and Labor Committee Meeting.

**Department:** Department of Public Health (DPH)

**Item:** Hearing to consider the release of reserved funds in the amount of \$50,000 for DPH to fund an actuarial study, as part of an overall feasibility study, of the Methadone by Prescription Program.

**Amount:** \$50,000

**Source of Funds:** During the FY 1999-2000 budget review, the Board of Supervisors appropriated \$50,000 in the DPH budget, and placed such funds on reserve, pending submission of contract and related cost details, for DPH to provide physician training, as part of the Methadone by Prescription Program.

**Description:** In February of 1998, the Board of Supervisors directed the Department of Public Health (DPH) to establish the Methadone by Prescription Program to permit physicians to prescribe methadone for patients addicted to opiates, as an alternative to providing methadone solely in clinics (Resolution 56-98). An interdisciplinary planning group, comprised of providers, community groups, and DPH programs, developed a model program to permit physicians to prescribe methadone as a treatment to individuals addicted to opiates.

In November of 1999, the Board of Supervisors authorized DPH to accept \$100,000 in Federal grant funds to conduct a feasibility study of the Methadone by Prescription Program to determine provider interest in participating in the program, conduct training sessions for providers, develop a centralized data base, develop quality control and evaluation protocols, and conduct an actuarial study of the program (File 99-1993).

The \$50,000 in reserved funds, which is the subject of this hearing and is additional to the \$100,000 Federal grant funds noted above, was appropriated by the Board of Supervisors and placed on reserve in the FY 1999-2000 budget review to conduct provider training for the Methadone by Prescription Program. DPH is now requesting the release of the subject \$50,000 in reserved funds to conduct an actuarial study of the Methadone by Prescription Program, instead of funding a contract for DPH to provide physician training, as part of the Methadone by Prescription Program. According to Dr. Herminia Palacio of DPH, both provider training and the actuarial study are part of the overall feasibility study for the Methadone by Prescription Program, as noted above. Dr. Palacio states that DPH is now proposing to expend the subject \$50,000 in reserved funds on an actuarial study of the Methadone by Prescription Program, since the previously approved Federal grant for \$100,000 has funded the contract for DPH to provide physician training as part of the Methadone by Prescription Program.

**Budget:**

The proposed budget for the actuarial study to be conducted by Milliman & Robertson, an actuarial firm, is as follows:

	<u>Hours</u>	<u>\$/Hour</u>	<u>Total</u>
Actuarial Analyst	150	\$102	\$15,300
Associate Actuary	75	202	15,150
Associate Actuary	37.5	270	10,125
Principal	7.5	340	2,550
Principal	<u>3.75</u>	495	<u>1,856</u>
	273.75		\$44,981
Research and Data- base Expenses			<u>5,019</u>
<b>Total Budget</b>			<b>\$50,000</b>

**Comments:**

1. According to Ms. Okubo, Milliman & Robertson, an actuarial firm, has been identified, by an Request For Qualifications process, to perform the actuarial cost analysis. The proposed budget allows for 273.75

professional hours for the actuarial study at an average rate of \$164 per hour. According to Ms. Okubo, DPH initially contacted 11 firms regarding the proposed study, and eight of those firms requested Request for Qualification forms. Milliman & Robertson was the only firm to respond to DPH regarding this project.

2. According to Ms. Anne Okubo of DPH, the purpose of the actuarial cost analysis is to determine the potential cost of providing the Methadone by Prescription Program. Ms. Okubo states that DPH proposes to use \$50,000 for an actuarial cost analysis to estimate the cost of implementing three stages of the proposed Methadone by Prescription Program. Each stage would target 10 percent, 50 percent and 100 percent, respectively, of the eligible heroin-user population, who would seek treatment for their addiction. According to Ms. Okubo, the estimated number of active heroin users in San Francisco is 13,000 to 15,000. However, Ms. Okubo states that, at this time, DPH does not have an estimate of the number of active heroin users who would seek treatment for their addiction in the proposed Methadone by Prescription Program, and that one goal of the proposed actuarial study would be to estimate the number of such individuals in order to estimate the cost of the implementation in each of the three stages, noted above.

3. Ms. Okubo advises that, in order to estimate the cost of each stage of the proposed Methadone by Prescription Program, the actuarial analysis would: (a) estimate the number of heroin users in San Francisco who would seek treatment for their addiction in the Methadone by Prescription Program, (b) compare the capacity of existing programs to the estimate of heroin users seeking treatment, (c) collect data on Medi-Cal and commercial insurance plan reimbursement rates for methadone and other substance abuse treatment services, primary care services, and mental health services, provided by private as well as DPH providers, and (d) analyze utilization data for existing methadone treatment

Memo to Finance and Labor Committee  
April 12, 2000 Finance and Labor Committee Meeting

services funded by Medi-Cal and General Fund monies.

**Recommendation:** Approve the proposed release of reserves.

Item 9 - File 00-0235

**Note:** This item was continued by the Finance and Labor Committee at its meeting of March 22, 2000.

**Department:** Airport

**Item:** Resolution approving two new automated teller machine leases for the new International Terminal between Travelex America, Inc. and the City and County of San Francisco, acting by and through its Airport Commission.

**Location:** New International Terminal Complex of the Airport.

**Purpose of Leases:** The proposed two new leases would provide space in the new International Terminal for 20 to 22 automated teller machines (ATM), at ten different locations. Travelex America, Inc. would install and operate the proposed ATMs. Travelex America, Inc. is required to install at least two ATMs at each of the ten locations, and has the option to install a third ATM at two of the ten locations, resulting in a maximum of 22 ATMs. The Airport issued two separate leases to operate ATMs in order to provide lease opportunities to as many companies as possible, however, Travelex America, Inc. was the only company to submit bids for the two subject leases (See below "Description" section).

**Lessor:** City and County of San Francisco, acting by and through its Airport Commission.

**Lessee:** Travelex America, Inc., a Delaware Corporation

**Monthly Rental Revenues**  
**Payable by Travelex America, Inc.**  
**to the Airport:**

\$20,125 monthly for each lease, for a total of \$40,250 per month for both leases (\$241,500 annually per lease, or \$483,000 annually for both leases.)

**Annual Rental**  
**Revenues Payable by**  
**Travelex America, Inc.**  
**to the Airport:**

Beginning from the first year of the lease, and through the duration of the five-year lease period.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



there is no historical data for making such forecasts.

However, according to Mr. Rhoades, Travelex stated in its bid to the Airport that it plans to request permission from the Airport Director to impose a transaction surcharge on all ATM customers, as stated in Attachment II, provided by the Airport. Under the terms of the lease, Travelex may not charge a transaction surcharge of more than \$1.50 per customer use, and Travelex would pay the Airport 33 percent of those surcharges. Under the terms of the lease, Travelex America, Inc. must have written approval from the Airport Director to impose a transaction surcharge, as stated in the lease as follows:

*Tenant shall not charge Transaction Surcharges except as approved by Director [emphasis added]. The Maximum amount of any such Transaction Surcharge that may be approved shall be \$1.50 per Customer Use. The amount of any such Transaction Surcharge and a clear description of the customers to which it applies must be posted in a clearly visible manner on the exterior of the ATM unit, or stated clearly through the ATM's electronic display requesting the Customer if they agree to continue the transaction with a Transaction Surcharge before the Customer Use is completed...Transaction Surcharges shall be subject to Percentage Rent as described in the lease.*

Attachment II also contains: (a) the companies that currently hold leases with the Airport for ATMs in the Airport, (b) the annual Minimum Annual Guarantees paid by each of these companies to the Airport for the ATMs, and (c) the total combined surcharge revenues of \$315,192 paid to the Airport by these companies for the ATM leases during 1999.

the base annual rent payable by Travelex America, Inc. to the Airport includes the Minimum Annual Guarantee of \$241,500 for each lease, for a total of \$483,000 per year, subject to Consumer Price Index (CPI) annual adjustments. The \$483,000 total Minimum Annual Guarantee for both leases applies to the ten proposed ATM locations, regardless of whether Travelex installs 20 or 22 ATMs. In addition to the Minimum Annual Guarantee of \$241,500 for each lease, Travelex America, Inc. would pay to the Airport *Percentage Rent* and *Transaction Rent*, defined as follows:

*"Percentage Rent" means rent paid in addition to and without set off against the [Minimum Annual Guarantee], in an amount equal to thirty-three percent (33%) of any Transaction Surcharge and/or changes for Optional Uses [defined as shown in Attachment I to this report] approved by Director and charged to ATM Customers who use the ATMs on the Premises.*

*"Transaction Rent" means rent paid in addition to and without set off against the [Minimum Annual Guarantee], in an amount equal to ten cents (\$0.10) for each Customer Use of Tenant's ATM on the Premises except that Transaction Rent shall not be payable with respect to 1) ATM Customer Use as to which Percentage Rent is payable, and 2) ATM Customer Use for which no transaction is completed due to reject of a customer's card or aborting by the customer of the ATM Customer Use prior to concluding any transaction.*

According to Mr. Bob Rhoades of the Airport, the Airport has not projected future revenues to be paid by Travelex to the Airport, in addition to the Minimum Annual Guarantee of \$241,500 for each lease, based on anticipated Percentage and Transaction Rent payments. Mr. Rhoades advises that estimating demand for the new ATMs and related surcharge revenues is difficult since the ATMs will be located in a new building, for which

Memo to Finance and Labor Committee  
April 12, 2000 Finance and Labor Committee Meeting

<b>Term of Lease:</b>	The two proposed leases would commence on September 26, 2000. Each lease would be for a five year period, terminating on September 25, 2005.
<b>Right of Renewal:</b>	The Airport would have sole discretion to grant two one-year extensions for each lease.
<b>Utilities and Janitorial Provided by Lessor:</b>	The Lessee pays for the costs of all utilities and janitorial services.
<b>Description:</b>	<p>On August 17, 1999, the Airport Commission requested bids for two Automated Teller Machine Leases for the new International Terminal Building. Subsequently, on December 21, 1999, the Airport Commission adopted a resolution awarding the two leases to Travelex America, Inc., the sole bidder (Resolution No. 99-0458). According to Mr. Rhoades, the sole bidder, Travelex America, Inc., submitted a Minimum Annual Guarantee bid of \$241,500. Mr. Rhoades advises that the Airport issued Invitations to Bid for the two ATM leases to 141 firms. Mr. Rhoades advises that the Airport decided to issue two separate leases, to operate 10 to 11 ATMs each, in order to provide lease opportunities to as many companies as possible. Attachment II also explains why the Airport received only one bid to operate the ATMs at the Airport.</p> <p>Under the two proposed leases, Travelex America, Inc. would install and operate 20 to 22 ATMs, at ten different locations throughout the new International Terminal. The ATMs would operate 24 hours a day, seven days a week.</p>
<b>Tenant Improvements:</b>	The Lessee would be required, at its sole cost, to design and construct the ATM enclosures, including all fixtures, furnishings and equipment necessary to Travelex America Inc.'s operations under the subject lease. Travelex America, Inc.'s costs for these improvements shall not be less than \$5,000 per ATM, or \$100,000 to \$110,000 for all 20 to 22 ATMs. This minimum of \$5,000 does not include the cost of purchasing and installing the ATMs themselves. According to Mr. Rhoades, the Airport

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

R E V I S E D 4/7/00      Item 9 – File 00-0235

requires a minimum of \$5,000 in improvements per ATM to ensure that Travelex America, Inc. constructs ATM enclosures consistent with the design, materials and quality of the new International Terminal.

**Comments:**

1. Mr. Rhoades anticipates that all 20 to 22 ATMs in the new International Terminal will be completed by August 15, 2000. Mr. Rhoades advises that the Airport's new International Terminal is now scheduled to open September 26, 2000, or three months later than the previously estimated opening date of June 26, 2000, in order to allow the Airport time to test the new facilities.

2. In November of 1999, the voters of San Francisco approved Proposition F to prohibit banks and other financial institutions from charging a fee to persons who do not have an account with that bank or financial institution, for use of that bank or financial institution's automated teller machines in San Francisco. These fees are often in addition to fees charged to the customer by the customer's own bank. In response to passage of Proposition F, Bank of America, Wells Fargo and the California Bankers' Association sued the City, arguing that the City had no authority to restrict the fees that banks charge customers. In November of 1999, a U.S. District Court Judge granted a preliminary injunction preventing the City from enacting Proposition F. According to Mr. Marc Slavin of the City Attorney's Office, upon appeal, the injunction was upheld in the U.S. 9<sup>th</sup> Circuit Court of Appeals. The case has now moved to trial in the U.S. District Court. No trial date has been set. Mr. Slavin advises that the City Attorney's Office has not yet formally determined whether Proposition F's restriction on surcharge fees would apply to ATMs at the Airport.

3. Mr. Slavin advises that the City Attorney's Office has not yet formally determined whether Travelex America, Inc. fits the definition of "bank or financial institution," as defined in Proposition F. However, if the City Attorney's Office determines

BOARD OF SUPERVISORS  
BUDGET ANALYST

that Travelex America, Inc. does fall within the purview of Proposition F and that Proposition F applies to ATMs at the Airport, and if Proposition F is upheld in the courts, then Travelex America, Inc. would be prohibited from charging the proposed surcharge of up to \$1.50.

As previously reported, the Airport has not estimated the amount of revenues that would be generated by such proposed surcharges. However, in accordance with the proposed lease provisions, the Airport would receive 33 percent of these surcharge revenues from Travelex America, Inc.

4. The Budget Analyst notes that under the proposed leases, the Airport Director would have the authority to approve such transaction surcharges of up to \$1.50 per customer use.

5. In the time since the subject resolution was continued to the Call of the Chair by the Finance and Labor Committee at its meeting of March 22, 2000, the Airport has amended the two subject ATM leases with Travelex America, Inc. The leases, as amended, now state that if the courts uphold Proposition F, and determine that Proposition F applies to the ATMs at the Airport covered by the subject leases (thereby precluding transaction surcharges being charged by Travelex America, Inc. to ATM customers at the Airport) Travelex America would have the option to terminate the subject ATM leases with the Airport, without penalty.

**Recommendation:**

Approval of the proposed resolution is a policy matter for the Board of Supervisors.



**EXHIBIT B**  
**USE AND OPERATIONAL REQUIREMENTS**

1. **GENERAL REQUIREMENTS:** All ATM Services shall be provided on a non-exclusive basis, and Airport reserves the right to sell and to permit other Airport tenants to provide such services. Tenant may not offer any services not described below as being "Required" or "Optional", without Director's prior consent.
2. **REQUIRED/OPTIONAL SERVICES:** In the event Director permits any service to be sold or offered that is not listed below, or otherwise permits any other change in the Permitted Use, this Exhibit shall be deemed amended without need for a formal amendment of this Lease. Tenant shall be required to operate the Premises in accordance with the requirements, and offer the service, as described below:

**A. Required Uses:**

Tenant shall provide the following services, on a non-exclusive basis:

1. Dispense United States currency.
2. Provide access to network support from no less than four of the following networks: Plus, Star, Cirrus, GlobalAccess and Interlink and accept no less than four of the following credit cards: American Express, Diner's Club, MasterCard, Visa, Discover/Novus Card.
3. Provide a written receipt of each transaction.
4. Provide display functions on user operation.
5. Display transaction fee/surcharge information.

**B. Optional Uses:**

Tenant may provide, on a non-exclusive basis, the following "Optional Use, as approved in writing by the Director. Any "Optional Use" for which Tenant receives or charges a commission, surcharge or other fee shall be subject to payment of percentage rent as described in Section 4 of the Lease.

1. Provide access to financial networks and credit cards other than those required under *Exhibit B 2.A.2*, hereto.
2. Dispense traveler's checks.
3. Dispense United States postage stamps at face value.
4. Provide tickets for San Francisco regional area cultural, performing arts and sporting events.
5. Dispense airline tickets.



6. Display animated software graphics
7. Accept deposits to accounts.
8. Handle debit card transactions.
9. Other services consistent with the operations of ATMs that can be demonstrated to benefit customers and the traveling public, if and as approved by the Airport Director.

### 3. PROHIBITED USES/SERVICE

Tenant understands and agrees that the following products or services are not included within the Permitted Use, without the prior written consent of Director, which consent may be granted or denied in Director's absolute and sole discretion.

1. Any and all sales of phone cards
2. Dispense or exchange foreign currency
3. Offer gambling of any kind
4. Display advertising, except that electronic display of Tenant's services during "wait" times while transactions are processing shall not be deemed to be advertising prohibited hereunder
5. Sell any type of merchandise

### 4. OPERATIONS

#### A. Hours of Operations

Each ATM shall operate twenty-four (24) hours a day, seven (7) days a week including holidays.

#### B. Maintenance and Operation of Units

ATMs must be capable of handling, via telephone link, access to accounts for transactions including withdrawals, deposits and charges against credit lines. Without limiting the generality of Section 3.11 [Compliance with Laws], Tenant shall cause the operation of ATMs to be in compliance with all Governmental, Banking and FAA Regulations, including security requirements and Airport Rules and Regulations. Tenant shall be responsible for the secure transport of cash and receipts to and from each specific ATM location. Pursuant to FAA Regulations, no arms are permitted beyond the security checkpoints. Airport police shall not be responsible for escorting ATM service personnel.

The ATMs and each location will be kept in clean, dust free, neat and first-class business-like and orderly condition at all times. The ATMs will be serviced and monitored in a manner that ensures the continual and uninterrupted operation of each unit. The Airport Director may require more frequent servicing and stocking upon written notice to Tenant. Failure to maintain and service units according to the aforesaid standard will result in the imposition of

progressively stringent fines, as provided in Section 15.8 hereto. Emergency service response should be available within ninety (90) minutes of notice. Except for emergency response, servicing of the ATM units must be done during off-peak hours of 2:30 p.m. through 5:30 p.m. and 8:30 p.m. through 5:30 a.m. or other hours as may be designated in writing from time to time by Director.

**C. Informational Displays**

Tenant shall provide and display at each ATM unit all written directions necessary to instruct customers in the operation of the ATM. Tenant shall also provide, either through the ATM's electronic display or affixed to the ATM, information for the obtaining machine services and/or refunds. Tenant shall not place or install any racks, stands or other display on any Airport property outside the Premises.

**D. Transaction Surcharges**

Tenant shall not charge Transaction Surcharges except as approved in writing by Director. The Maximum amount of any such Transaction Surcharge that may be approved shall be \$1.50 per Customer Use. The amount of any such Transaction Surcharge and a clear description of the customers to which it applies must be posted in a clearly visible manner on the exterior of the ATM unit, or stated clearly through the ATM's electronic display requesting the Customer if they agree to continue the transaction with a Transaction Surcharge before the Customer Use is completed. Any Transaction Surcharges charged by Tenant must be consistent throughout the Airport and cannot exceed charges at other locations in Tenant's system. Transaction Surcharges shall be subject to Percentage Rent as described in the Lease.

**E. Management**

Tenant shall select and appoint a full-time experienced manager fully authorized to represent and act on behalf of Tenant providing an emergency contact number on a twenty-four (24) hour basis.

Tenant shall not staff the ATM locations, conduct other business, provide other services or sell any type of merchandise. No brochures or advertising will be displayed without prior written approval from the Airport Director.

The provisions set fourth in this *Exhibit B* shall be in addition to and not in limitation of the other provisions in the Lease.

San Francisco International Airport

P.O. Box 8097  
San Francisco, CA 94118  
Tel: 650.794.5000  
Fax: 650.794.5005  
www.sflysfo.com

AIRPORT COMMISSION  
SAN FRANCISCO INTERNATIONAL AIRPORT  
CITY AND COUNTY OF SAN FRANCISCO

MEMORANDUM

AIRPORT  
COMMISSION  
CITY AND COUNTY  
OF SAN FRANCISCO  
WILLIE L. BROWN, JR.  
MAYOR  
HENRY E. SERMAN  
PRESIDENT  
LARRY MAZZOLA  
VICE PRESIDENT  
MICHAEL S. STRUNSKY  
LINDA E. GRAYTON  
CARTY LITO  
JOHN L. MARTIN  
AIRPORT DIRECTOR

TO: Emilie Neumann  
Budget Analyst's Office  
DATE: February 24, 2000  
FROM: Jon Ballesteros  
SUBJECT: File #000235 - Airport ATM Services Lease

Below please find the background information you requested regarding the Resolution before the Board of Supervisors approving the Airport's Lease for ATM Services.

**SURCHARGES**

Travelex America, Inc. plans to charge a surcharge as permitted in Exhibit B. The amount of the surcharge will not exceed \$1.50.

The Airport will receive 33% of any surcharge Travelex charges.

**CURRENT ATM LEASE AGREEMENTS**

Bank of America currently has two Leases with ATM Machines: Lease L86-0039 has two bank branches and eight ATM machines and a MAG of \$214,160 (plus additional surcharge and transaction rents) and Lease L97-0039 has six ATM machines and a MAG of \$107,451 (plus additional surcharge and transaction rents).

Wells Fargo Bank Lease 97-0293 has 10 ATM machines and a MAG of \$187,472 (plus additional surcharge and transaction rents).

The total amount of transaction fee and surcharge revenues generated by the leases in calendar year 1999 equaled \$315,192.

Emilie Neumann  
February 24, 2000  
Page 2

## ESTIMATED ANNUAL RENTAL REVENUES

Traveler America, Inc. was the sole responsive bidder, and Traveler America, Inc. will execute both Leases, with the bid amount of \$241,500 which will be the minimum annual guarantee for each Lease for the first year. Traveler America, Inc. will pay the MAG for each Lease plus, additional surcharge and transaction rents.

There are no estimated forecasts for revenues generated from transaction fees at this time as these fees are based on user volume. Due to the fact that the ATM machines will be located in a building that did not exist previously, there is no historical data on which to make such forecasts.

## BIDDING PROCESS

The Airport offered Invitations to Bid for the ATM services lease to 158 firms. Staff received one bid from Traveler America, Inc. for \$241,500.

Bank of America and Wells Fargo Bank were invited to bid on these leases. However, both companies cited issues with the rent structure, the \$180,000 Minimum Bid, and the outcome of legal activity surrounding Proposition "F", the initiative that would prohibit ATM surcharges in San Francisco.

Item 10 - File 00-0519

**Department:** Department of Real Estate (DRE)  
Department of Public Health (DPH)

**Item:** Resolution authorizing extension and renewal of nine existing leases of real property leased by the Department of Public Health.

**Description:** Each of the nine proposed DPH leases is summarized below:

- (1) **Location:** 298 Monterey Boulevard (entire building)
- Purpose of Lease:** Outpatient Mental Health Clinic (since 1974)
- Lessor:** John William Powell and Sylvia Campbell Powell
- No. of Sq. Ft. and Cost Per Month:** 4,025 square feet @ approximately \$1.06 per square foot per month, or \$4,265 per month (see Comment No. 1).
- Annual Cost:** \$51,180
- Percentage Increase Over 1999-2000:** Approximately 31 percent
- Utilities and Janitor Provided by Lessor:** Janitorial services only.
- Term of Lease:** July 1, 2000 on a month-to-month basis (not to exceed 12 months)
- Right of Renewal:** None
- Source of Funds:** 68 percent State and Federal, 32 percent General Fund
- (2) **Location:** 3901-3905 Mission Street (portion of the ground floor)
- Purpose of Lease:** Outpatient Mental Health Clinic (since 1983)
- Lessor:** Giovacchino and Armando Diodati

Memo to Finance and Labor Committee  
April 12, 2000 Finance and Labor Committee Meeting

**No. of Sq. Ft. and  
Cost Per Month:** 2,570 square feet @ \$1.20 per square foot per  
month, or \$3,084 per month.

**Annual Cost:** \$37,008

**Percentage Increase  
Over 1999-2000:** None

**Utilities and Janitor  
Provided by Lessor:** Landlord provides all utilities and janitorial  
services.

**Term of Lease:** July 1, 2000 on a month-to-month basis (not to  
exceed 12 months).

**Right of Renewal:** None

**Source of Funds:** 68 percent State and Federal, 32 percent General  
Fund

(3) **Location:** 3911 Mission Street (portions of the ground floor)

**Purpose of Lease:** Outpatient Mental Health Services (since 1984)

**Lessor:** Giovacchino and Armando Diodati

**No. of Sq. Ft. and  
Cost Per Month:** 1,500 square feet @ \$1.20 per square foot per  
month, or \$1,800 per month.

**Annual Cost:** \$21,600

**Percentage Increase  
Over 1999-2000:** None

**Utilities and Janitor  
Provided by Lessor:** Landlord provides all utilities and janitorial  
services.

**Term of Lease:** July 1, 2000 on a month-to-month basis (not to  
exceed 12 months)

**Right of Renewal:** None

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance and Labor Committee  
April 12, 2000 Finance and Labor Committee Meeting

- Source of Funds:** 68 percent State and Federal, 32 percent General Fund
- (4) **Location:** 111 Potrero Avenue (ground floor)
- Purpose of Lease:** Adult Outpatient Mental Health Clinic (since 1987)
- Lessor:** 111 Potrero Partnership
- No. of Sq. Ft. and Cost Per Month:** 6,000 square feet @ \$2.50 per square foot per month, or \$15,000 per month.
- Annual Cost:** \$180,000
- Percentage Increase Over 1999-2000:** 25 percent
- Utilities and Janitor Provided by Lessor:** Janitorial services only.
- Term of Lease:** July 1, 2000 on a month-to-month basis (not to exceed 12 months)
- Right of Renewal:** None
- Source of Funds:** 68 percent State and Federal, 32 percent General Fund
- (5) **Location:** 10-20 Twenty-ninth Street (entire building)
- Purpose of Lease:** Children's Outpatient Mental Health Clinic (since 1972)
- Lessor:** George, Lois, and Lawrence Maisels
- No. of Sq. Ft. and Cost Per Month:** 2,400 square feet @ approximately \$0.62 per square foot per month, or \$1,500 per month.
- Annual Cost:** \$18,000
- Percentage Increase Over 1999-2000:** None

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance and Labor Committee  
April 12, 2000 Finance and Labor Committee Meeting

	<b>Utilities and Janitor Provided by Lessor:</b>	None
	<b>Term of Lease:</b>	July 1, 2000 on a month-to-month basis (not to exceed 12 months)
	<b>Right of Renewal:</b>	None
	<b>Source of Funds:</b>	68 percent State and Federal, 32 percent General Fund
(6)	<b>Location:</b>	<u>755-61 South Van Ness Avenue (ground floor)</u>
	<b>Purpose of Lease:</b>	Adult Outpatient Mental Health Clinic (since 1973)
	<b>Lessor:</b>	AIM TWO
	<b>No. of Sq. Ft. and Cost Per Month:</b>	7,101 square feet @ approximately \$1.21 per square foot per month, or \$8,591 per month.
	<b>Annual Cost:</b>	\$103,092
	<b>Percentage Increase Over 1999-2000:</b>	10 percent
	<b>Utilities and Janitor Provided by Lessor:</b>	None
	<b>Term of Lease:</b>	July 1, 2000 on a month-to-month basis (not to exceed 12 months)
	<b>Right of Renewal:</b>	None
	<b>Source of Funds:</b>	68 percent State and Federal, 32 percent General Fund
(7)	<b>Location:</b>	<u>759 South Van Ness Avenue (entire second floor)</u>
	<b>Purpose of Lease:</b>	Children's Outpatient Mental Health Clinic (since 1988)
	<b>Lessor:</b>	AIM TWO

Memo to Finance and Labor Committee  
April 12, 2000 Finance and Labor Committee Meeting

**No. of Sq. Ft. and  
Cost Per Month:** 6,445 square feet @ approximately \$1.55 per square  
foot per month, or \$9,961 per month.

**Annual Cost:** \$119,532

**Percentage Increase  
Over 1999-2000:** Approximately 10.7 percent

**Utilities and Janitor  
Provided by Lessor:** None

**Term of Lease:** July 1, 2000 on a month-to-month basis (not to  
exceed 12 months)

**Right of Renewal:** None

**Source of Funds:** 68 percent State and Federal, 32 percent General  
Fund

(8) **Location:** 1540 Market Street (Suite 250)

**Purpose of Lease:** DPH Wedge Program (since 1996)

**Lessor:** 1540 Market Company

**No. of Sq. Ft. and  
Cost Per Month:** 2,121 square feet @ approximately \$1.08 per square  
foot per month, or \$2,297.75 per month.

**Annual Cost:** \$27,573

**Percentage Increase  
Over 1999-2000:** None

**Utilities and Janitor  
Provided by Lessor:** Landlord is responsible for utilities and janitorial  
services.

**Term of Lease:** July 1, 2000 on a month-to-month basis (not to  
exceed 12 months)

**Right of Renewal:** None

Memo to Finance and Labor Committee  
April 12, 2000 Finance and Labor Committee Meeting

**Source of Funds:** Federal Centers for Disease Control grant for HIV prevention

(9) **Location:** 1540 Market Street (Suite 260)

**Purpose of Lease:** DPH Tobacco Program (since 1995)

**Lessor:** 1540 Market Company

**No. of Sq. Ft. and Cost Per Month:** 1,296 square feet @ approximately \$1.08 per square foot per month, or \$1,404 per month.

**Annual Cost:** \$16,848

**Percentage Increase Over 1999-2000:** None

**Utilities and Janitor Provided by Lessor:** Landlord is responsible for utilities and janitorial services.

**Term of Lease:** July 1, 2000 on a month-to-month basis (not to exceed 12 months))

**Right of Renewal:** None

**Source of Funds:** Proposition 99 and Proposition A tobacco grant funds.

**Comments:**

1. The Budget Analyst has been informed that the DRE will submit an amended resolution to the Board of Supervisors increasing the proposed rental rate for 298 Monterey Avenue (Lease No. 1) from \$3,250 per month to \$4,265. Therefore, this report is based on that amended resolution.
2. Mr. Steve Alms of DRE states that DPH has been searching for alternative accommodation to both 111 Potrero Avenue (Lease No. 4) and 755-61 South Van Ness Avenue (Lease No. 6) since FY 1996-97, which is why both leases were on a month-to-month basis. Now, according to Mr. Alms, after searching for alternative accommodation over four fiscal years, the DPH has requested the DRE to enter into negotiations at 755-61

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

South Van Ness Avenue for a renovation and a long-term lease which could permit the consolidation at that site of the Adult Outpatient Mental Health Clinics which are currently located separately at 111 Potrero Avenue and 755-61 South Van Ness Avenue. The proposed long-term lease would also require minor improvements to the second floor of the building (Lease No. 7), and would consolidate Leases No. 6 and 7 into a single long-term lease agreement. It is unlikely that the negotiations, renovation construction, and consolidation of the clinics and lease agreements could be completed until the second half of FY 2000-2001, according to Mr. Alms. The new lease would be subject to the approval of the Board of Supervisors.

3. In relation to 10-20 Twenty-ninth Street (Lease No. 5), Mr. Alms states that the DPH has been trying to move from that location since FY 1996-97. DRE, at DPH's request, is negotiating a new lease for 4527 Mission Street to better serve clients of the 10-20 Twenty-ninth Street clinic who live in the South Mission District. Separate legislation will be submitted to the Board of Supervisors seeking authority to enter into the proposed lease at 4527 Mission Street. According to Ms. Judy Schutzman of DPH, the DPH is currently searching for an alternative Bayview location to establish a clinic for the clients of the 10-20 Twenty-ninth Street clinic who live in the Bayview district. In the meantime, Bayview clients will continue to be served from the current 10-20 Twenty-ninth Street location.

4. The attached memorandum, provided by Mr. Alms, explains the reasons for the following rent increases:

- The approximately 31 percent increase in the annual rent for 298 Monterey Boulevard (Lease No. 1) following a 14 percent rent increase in FY 1999-2000. This has resulted in an overall rent increase of approximately 50 percent over three years, from \$2,850 monthly (\$34,200 annually) in FY 1998-99 to the proposed \$4,265 month (\$51,180 annually) in FY 2000-2001.
- The 25 percent increase in the annual rent for 111 Potrero Avenue (Lease No. 4) following (a) a 31 percent rent increase in the first three months of FY

1999-2000, (b) a 14.3 percent increase in the last nine months of FY 1999-2000, and (c) a 43 percent rent increase in FY 1998-99. This has resulted in an overall rent increase of approximately 168 percent over four years, from \$5,602 monthly (\$67,224 annually) in FY 1997-98 to the proposed \$15,000 monthly (\$180,000 annually) in FY 2000-2001.

- The 10 percent increase in the annual rent for 755-61 South Van Ness Avenue (Lease No. 6) following (a) a 10 percent increase in FY 1999-2000, and (b) an approximately 25 percent increase in FY 1998-99. This has resulted in an overall rent increase of approximately 51 percent over four years, from \$5,689 monthly (\$68,268 annually) in FY 1997-98 to the proposed \$8,591 monthly (\$103,092 annually) in FY 2000-2001.
- The approximately 11 percent increase in the annual rent for 759 South Van Ness Avenue (Lease No. 7) following (a) a 12 percent increase in FY 1999-2000, (b) a 31 percent increase in FY 1998-99, and (c) a 5 percent increase in FY 1997-98. This has resulted in an overall rent increase of approximately 71 percent over five years, from \$5,842 monthly (\$70,104 annually) in FY 1996-97 to the proposed \$9,961 monthly (\$119,532 annually) in FY 2000-2001.

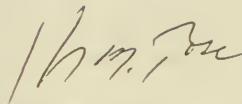
5. According to Ms. Schutzman, lease funding for all nine leases will be included in the FY 2000-2001 DPH budget request.

6. Mr. Alms reports that all of the proposed rents reflect fair market value.

**Recommendation:** Approve the proposed resolution.



Memo to Finance and Labor Committee  
April 12, 2000 Finance and Labor Committee Meeting



Harvey M. Rose

cc: Supervisor Yee  
Supervisor Bierman  
President Ammiano  
Supervisor Becerril  
Supervisor Brown  
Supervisor Katz  
Supervisor Kaufman  
Supervisor Leno  
Supervisor Newsom  
Supervisor Teng  
Supervisor Yaki  
Clerk of the Board  
Controller  
Legislative Analyst  
Erin McGrath  
Stephen Kawa  
Ted Lakey

## City and County of San Francisco

Real Estate Division  
Administrative Services Department

## MEMORANDUM

April 5, 2000

**TO:** Harvey Rose  
Budget Analyst**FROM:** Steve Alms  
Senior Real Property Officer  
554-9865

A handwritten signature in dark ink, appearing to read "Steve Alms", with a long, sweeping horizontal line extending to the right.

**SUBJECT:** Public Health Lease Renewals  
Fiscal Year 2000/2001

The following explanations are provided in response to your questions regarding the various Public Health lease renewals.

**298 Monterey Boulevard (Item #1)**

The increase in rent from \$3,250.00 to \$4,265.00 per month represents an increase of approximately 31% over the prior year. Rent for the facility has historically been well below market, and the market continues to rise dramatically. The rent negotiated with the landlord for fiscal year 2000/2001 is at or below market rate.

**111 Potrero Avenue (Item #4)**

The proposed increase in rent from \$12,000.00 to \$15,000.00 per month represents an increase of 25% over the prior year. The rent increase reflects the significant change currently taking place in the market, and the landlord's expectation that the extension is intended to be for a short term. The change in the market continues to be driven by the much-publicized demand for office space to house the multi-media industry. The \$2.50 per square foot rate negotiated with the landlord is market rate rent.

**755-61 South Van Ness Avenue (Item #6)**

The increase in rent from \$7,810.00 to \$8,591.00 per month represents an increase of approximately 10% over the prior year. As noted above, the market has changed dramatically. The market rate rent negotiated with the landlord for fiscal year 2000/2001 is a nominal change compared to the change in the market. As noted, the intent is to negotiate a long term, market rate lease for the entire building, which would include a major renovation of the premises.

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(415) 554-9850  
FAX: (415) 552-9216Office of the Director of Property  
25 Van Ness Avenue, Suite 400

San Francisco, 94102

**759 South Van Ness Avenue (Item #7)**

The increase in rent from \$9,055.00 to \$9,961.00 per month represents an increase of approximately 10% over the prior year. As noted above, the market has changed dramatically. The market rate rent negotiated with the landlord for fiscal year 2000/2001 is a nominal change compared to the change in the market. As noted, the intent is to negotiate a long term, market rate lease for the entire building, which would include a major renovation of the premises.

At the request of the Department of Public Health, the Real Estate Division is currently negotiating the terms of a new long-term lease for the entire building at 755-765 and 759 South Van Ness Avenue. The clinic currently located at 111 Potrero Avenue would be consolidated with that now at 755-65 South Van Ness (ground floor), and the clinic currently located at 759 South Van Ness (second floor) would remain at that location. In the mean time, it is prudent to maintain month-to-month agreements in order to maximize the City's ability to react in the current market.

All of the rents proposed for the 2000/2001 fiscal year reflect fair market value. If there are other questions regarding the proposed renewals, please call me at 554-9865.

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CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

### BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

April 6, 2000

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TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: April 12, 2000 Finance and Labor Committee Meeting  
Separate Report on FY 2000-2001 CDBG Budget

#### Item 6 - File 00-0488

Department: Mayor's Office of Community Development (MOCD)

Item: Resolution approving the FY 2000-2001 Community Development Program. This resolution would (a) authorize the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's FY 2000-2001 Community Development Block Grant (CDBG) entitlement from the U.S. Department of Housing and Urban Development, and program income generated by the San Francisco Redevelopment Agency up to \$33,734,275, which includes indirect costs of \$160,000; and (b) approve the expenditure schedule for recipient departments and agencies and for indirect costs.

Amount: Up to \$33,734,276

Memo to the Finance and Labor Committee  
DATE, 1999 Finance and Labor Committee Meeting

Total Community Development Block Grant Program funding in FY 2000-2001 includes the FY 2000-2001 CDBG grant funds provided to the City by the U.S. Department of Housing and Urban Development, transfer and expenditure of reprogrammed funds from prior year Community Development Programs, and program income generated by the Mayor's Office of Community Development, the Mayor's Office of Housing (MOH), and the San Francisco Redevelopment Agency (SFRA), as follows:

FY 2000-2001 CDBG Program funds	\$24,925,000
Prior Year CDBG Program funds	350,000
Program Income (MOH and SFRA)	<u>8,459,275</u>
<i>Total</i>	\$33,734,275

**Grant Period:** July 1, 2000 through June 30, 2001

**Source of Funds:** U.S. Department of Housing and Urban Development (HUD)

**Required Match:** None

**Indirect Costs:** \$160,000

**Description:** Under Title I of the Federal Housing and Community Development Act of 1974, as amended, and related Federal regulations, San Francisco is eligible to receive a Community Development Block Grant (CDBG). The primary objective of the CDBG Program is to develop viable urban communities by supporting programs providing decent housing, a suitable living environment, or economic opportunity for low- and moderate-income residents of San Francisco.

The recommended FY 2000-2001 CDBG budget is \$25,275,000, which is \$64,945 or 0.25 percent more than the FY 1999-2000 CDBG budget of \$25,210,055. Section I through XIII of this report provides an analysis of the proposed FY 2000-2001 CDBG budget, including the Budget Analyst's recommendations.

Additionally, funds in the amount of \$8,459,275 would be used for specific program-income funded activities, as discussed in Section XIII of this report.

Attachment I, provided by Ms. Pamela David of MOCD, contains an explanation of the proposed Capital Projects Pool within the Program Income-Funded Activities program.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Attachment II is the CDBG Program Summary of Recommendations. The table includes the FY 1999-2000 CDBG budget, the proposed FY 2000-2001 budget, and a summary of changes from FY 1999-2000 to FY 2000-2001.

**Comments:**

1. The original grant period for the FY 1999-2000 CDBG Program funds was from April 1, 1999 through March 31, 2000. The FY 2000-2001 CDBG grant period is from July 1, 2000 through June 30, 2001, coinciding with the City's fiscal year. Therefore, the FY 1999-2000 CDBG Program has been extended from April 1, 2000 through June 30, 2000. In October of 1999, the Board of Supervisors approved the reprogramming of \$3,920,955 in unencumbered balances from prior years' CDBG uncommitted balances, San Francisco Redevelopment Agency program income funds, and HUD Development Action Grants, to fund the 3 month extension (File 99-1826).

2. The San Francisco Administrative Code stipulates that every nonprofit organization receiving funding through the City and County must file an Annual Economic Statement with the Clerk of the Board of Supervisors before the nonprofit organization can be allocated its final funding. MOCD advises that it expects all of the organizations to have filed their statements prior to the final allocation of the 1999 CDBG funds.

**Summary of**

**Recommendations:**

The Budget Analyst's recommendations for the FY 2000-2001 CDBG and Program Income budget are as follows:

- Reduce the FY 2000-2001 Program Administration budget by \$13,146, from the proposed amount of \$4,416,605 to \$4,403,459, and place the amount of \$13,146 on reserve to be used for other CDBG eligible activities.
- Reserve \$533,581 of the requested FY 1999-2000 CDBG and Program Income funds, totaling \$33,734,275, as follows:
  - (1) \$90,000 in the Facility Emergency Relief Pool, to be used to fund the Lavender Youth Recreation and Information Center, pending submission of a program plan and budget details.
  - (2) \$100,000 in the Mayor's Economic Development Pool, pending submission of a program plan and budget details.

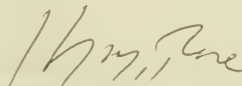
**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



REVISED 4/7/00

Item 6 - File 00-0488

- (3) \$43,581 in the MOCD Planning and Capacity Building Pool, pending submission of an expenditure plan and budget details.
- (4) \$300,000 in the Program Income Capital Projects Pool, to be used to fund American with Disabilities Act improvements for Brooks Hall, pending submission of budget details.
- Approval of funding in the amount of \$4,204,827 for new or expanded programs is a policy matter for the Board of Supervisors.
- Approve funding in the amount of \$29,516,302, including CDBG and Program Income programs, for existing programs for which the recommended budget for FY 2000-2001 was unchanged from the FY 1999-2000 budget.



Harvey M. Rose

cc: Supervisor Yee  
Supervisor Bierman  
President Ammiano  
Supervisor Becerril  
Supervisor Brown  
Supervisor Katz  
Supervisor Kaufman  
Supervisor Leno  
Supervisor Newsom  
Supervisor Teng  
Supervisor Yaki  
Clerk of the Board  
Controller  
Legislative Analyst  
Erin McGrath  
Stephen Kawa  
Ted Lakey

BOARD OF SUPERVISORS  
BUDGET ANALYST

**Section I: Housing Program Administration - \$2,482,560**

The MOCD proposes to allocate \$2,482,560 in FY 2000-2001 to fund ten Housing Program Administration agencies, an increase of \$214,880, or 9.3 percent, from the FY 1999-20000 budget allocation of \$2,267,680.

Descriptions of the proposed Housing Program Administration programs with new or increased funding are as follows:

<b>Program</b>	<b>FY 1999-2000 Budget</b>	<b>Proposed FY 2000-2001 Budget</b>	<b>Increase/ (Decrease) in FY 2000-2001 Budget</b>
<i><b>Asian, Inc.</b></i> Increase low income housing opportunities and development primarily in the South of Market, Tenderloin, and Visitacion Valley areas.	\$0	\$211,180	\$211,180
<i><b>Asian Neighborhood Design</b></i> Provides citywide technical assistance ad community education related to development and improvement of low income housing.	316,200	319,200	3,000
<i><b>Mission Housing Development Corp.</b></i> Increase low income housing opportunities primarily through new family and senior housing in Visitacion Valley and Outer Mission communities; and provide rehab loan assistance to low income homeowners Citywide.	359,300	360,000	700
<b>Total New or Increased Funding</b>	<b>\$359,300</b>	<b>\$571,180</b>	<b>\$214,880</b>

**Comment**

According to Mr. Joe LaTorre of MOH, Asian, Inc. received \$211,180 in CDBG funding in FY 1998-1999 but no funding in FY 1999-2000. Mr. LaTorre states that program issues delayed the signing of the FY 1998-1999 contract with Asian, Inc. in FY 1998-1999, and the FY 1998-1999 CDBG funds in the amount of \$211,180 were not released to Asian, Inc. until the end of the funding year. Therefore, such funds were carried over into the FY

Memo to Finance and Labor Committee

April 12, 2000 Finance and Labor Committee Meeting

1999-2000 funding year and Asian, Inc. received no additional FY 1999-2000 CDBG funds.

Recommendations

1. Approve \$2,267,680 of the requested \$2,479,560 for Housing Program Administration programs to continue funding for existing programs.
2. Approval of \$214,880 in funding for new or expanded Housing Program Administration programs is a policy matter for the Board of Supervisors.

**Section II: Housing Program Pool - \$5,406,501**

The MOH proposes to fund 15 new and continuing Housing Program Pool projects in FY 2000-2001. Funding for such projects would include prior year unallocated CDBG Housing Program Pool funds, program income funds, and FY 2000-2001 CDBG program funds. Housing Program Pool funds are used for the acquisition of land for low-income housing construction, for the renovation of existing buildings to be used for low-income housing, and for pre-development costs.

Projected program funds, including the subject \$5,406,501 CDBG funds, total \$11,942,674. The FY 2000-2001 CDBG allocation of \$5,406,701 is \$266,414 or 4.7 percent less than the FY 1999-2000 allocation of \$5,673,115. Funding sources for the Housing Program Pool are as follows:

Source of Funds	Amount
Current and Prior Years' Unallocated CDBG Pool funds	\$3,941,855
Program Income from Completed and Amortized Loans	2,354,118
Estimated FY 2000-2001 Program Income	240,000
FY 2000-2001 CDBG Funds	5,406,701
<b>Total Funds</b>	<b>\$11,942,674</b>

MOH has proposed use of the Housing Program Pool funds, as follows:

Program	Proposed FY 2000-2001 Budget
<b><u>Unexpended Existing Commitments</u></b>	
473 Ellis Street	\$287,900
34 Turk Street	341,315
665 Clay Street	2,850,000
651 Clay Street	<u>81,000</u>
<i>Subtotal</i>	\$3,560,215
<b><u>Commitments Expected by 7/1/2000</u></b>	
Loans to low-income/elderly single family homeowners	\$753,481
209 Golden gate Avenue (predevelopment costs)	78,480
240 Hyde Street (capital improvements)	2,258,152
1340 Portola (refinancing)	<u>397,000</u>
<i>Subtotal</i>	\$3,487,113

Memo to Finance and Labor Committee  
 April 12, 2000 Finance and Labor Committee Meeting

<b>Program</b>	<b>Proposed FY 2000-2001 Budget</b>
<b>Other Proposed FY 2000-2001 Programs</b>	
909 Geary Street (capital improvements)	\$430,000
34 Turk Street (capital improvements)	635,000
450 Ellis Street (capital improvements)	318,000
220 Pierce Street (capital improvements)	50,000
Supportive housing for homeless and disabled persons (site to be determined)	400,062
Capital improvements to existing affordable housing owned by nonprofits (sites to be determined)	562,284
Loans to low-income/elderly single family homeowners (sites to be determined)	2,500,000
<i>Subtotal</i>	\$4,895,346
<b>Total Proposed Uses</b>	<b>\$11,942,674</b>

Comments

According to Mr. Joe LaTorre of MOH, MOH will issue "Notices of Funding Availability" for renovation of facilities to provide supportive housing for homeless and disabled individuals (\$400,062) and for funds for capital repairs to existing nonprofit-owned affordable housing (\$562,284), as shown in the table above.

Recommendation

Approve the requested amount of \$5,406,501 for the FY 2000-2001 Housing Program Pool.

**Section III: Public Housing Program - \$251,000**

The MOCD proposes to allocate \$251,000 to fund four new Public Housing Program Projects in FY 2000-2001, an increase of \$151,000, or 51 percent, from the FY 1999-2000 budget allocation of \$100,000.

Descriptions of the proposed Public Housing Program Pool with increased funding are as follows:

<b>Program</b>	<b>FY 1999- 2000 Budget</b>	<b>Proposed FY 2000- 2001 Budget</b>	<b>Increase/ (Decrease) in FY 2000-2001 Budget</b>
<b><i>2401 Post Street</i></b> Provide ADA facility upgrades at San Francisco Head Start Center at Westside Courts in the Western Addition.	0	\$80,000	\$80,000
<b><i>1111 Buchanan Street</i></b> Provide ADA facility upgrades at Housing Authority site leased to the Department of Recreation and Parks for senior and disabled citizens in the Western Addition.	0	100,000	100,000
<b><i>125 West Point Road</i></b> Provide ADA facility upgrades at San Francisco Head Start Center Located at Hunter's View in the Bayview.	0	47,000	47,000
<b><i>2525 Griffith Street</i></b> Provide ADA facility upgrades at San Francisco Boys and Girls Club at the Alice Griffith Public Housing Family Development in the Bayview.	0	24,000	24,000
<b>Total New Program Funding in FY 2000-2001</b>			<b>\$251,000</b>
Programs funded in FY 1999-2000 and not funded in FY 2000-2001	100,000	0	(100,000)
<b>Total</b>	<b>\$100,000</b>	<b>\$251,000</b>	<b>\$151,000</b>

All of the projects under this program are for capital improvements and do not fund staff or administrative costs. The proposed cost for each project is based on an estimate prepared by an architectural consultant and reviewed



Memo to Finance and Labor Committee  
April 12, 2000 Finance and Labor Committee Meeting

by MOCD. The actual project expenditures will be determined through a competitive selection of contractors.

The Budget Analyst has reviewed details of the summary budgets noted above, and has found that the requested amounts are reasonable.

Recommendations

Approval of the proposed FY 2000-2001 Public Housing Program Pool budget of \$251,000 is a policy matter for the Board of Supervisors.

**Section IV : Public Space Improvement \$1,666,214**

The MOCD proposes to allocate \$1,666,214 to fund Public Space Improvement Projects in FY 2000-2001, a decrease of \$22,001, or 1.3 percent, from the FY 1999-2000 budget allocation of \$1,688,215.

Descriptions of the proposed Public Space Improvements programs are as follows:

<b>Program</b>	<b>FY 1999-2000 Budget</b>	<b>Proposed FY 2000-2001 Budget</b>	<b>Increase/ (Decrease) in FY 2000-2001 Budget</b>
<i>San Francisco Conservation Corps</i> Funds would be used to install or renovate play structures at various sites in the City	\$1,067,715	\$1,210,714	\$142,999
<i>San Francisco League of Urban Gardeners</i> Provide landscaping and other outdoor improvements to various community garden sites in the City	310,500	255,500	(55,000)
<i>Public Space Improvement Program Pool</i> Would be used to provide a 13.6 percent contingency for the play structure and landscaping projects noted above	200,000	200,000	0
Programs funded in FY 1999-2000 and not funded in FY 2000-2001	110,000	0	(110,000)
<b>Total</b>	<b>\$1,688,215</b>	<b>\$1,666,214</b>	<b>(\$22,001)</b>

The Budget Analyst has reviewed details of the summary budgets noted above, and has found that the requested amounts are reasonable.

**Comments**

1. According to Mr. Jon Pon of MOCD, the San Francisco Conservation Corps (SFCC) would use SFCC staff to install or repair play structures. Required materials would be obtained through a competitive bid procedure.

Memo to Finance and Labor Committee

April 12, 2000 Finance and Labor Committee Meeting

2. Mr. Pon states that the Public Space Improvement Pool, totaling \$200,000, would be used to fund 0.60 FTE to administer the program (\$46,870), fund construction of one new play structure at a childcare center (\$100,000), and modify existing play structures to comply with Public Playground Safety Standards (\$53,130).

Recommendations

1. Approve funding in the amount of \$1,523,205 out of the requested amount of \$1,666,214 for ongoing Public Space Improvement programs, including \$200,000 for the Public Space Improvement Pool, \$1,067,715 for the San Francisco Conservation Corps, and \$255,500 for the San Francisco Urban Gardeners.

2. Approval of increased funding in the amount of \$142,999 for the San Francisco Conservation Corps is a policy matter for the Board of Supervisors.

**Section V: New Facilities Development - \$650,500**

The MOCD proposes to allocate \$650,500 to fund six New Facilities Development Projects in FY 2000-2001, a decrease of \$273,500, or 29.6 percent, from the FY 1999-2000 budget allocation of \$924,000.

New facilities are defined as those projects in which the agency is purchasing or building new space, expanding into larger space, or renovating space for new programs not previously available from that agency. This program category involves development of multi-purpose neighborhood, senior, and mental health service centers in high need lower-income communities.

All of the projects under this program are for capital improvements or new construction and do not fund staff or administrative costs. The proposed cost for each project is based on an estimate prepared by an architectural consultant and reviewed by MOCD. The actual expenditures will be determined through a competitive selection of contractors.

Descriptions of the proposed New Facilities Development with new funding are as follows:

Program	FY 1999- 2000 Budget	Proposed FY 2000- 2001 Budget	Increase/ (Decrease) in FY 2000- 2001 Budget
<b><i>Community Center Project</i></b> Construct computer education room and class room in community center serving lesbian, gay and transgender youth and adults	0	90,000	90,000
<b><i>Geneva Valley Development Corporation</i></b> Complete shell and tenant improvements at new multi-service community center in Visitacion Valley	0	150,000	150,000

Memo to Finance and Labor Committee  
 April 12, 2000 Finance and Labor Committee Meeting

Program	FY 1999-2000 Budget	Proposed FY 2000-2001 Budget	Increase/ (Decrease) in FY 2000-2001 Budget
<i>North of Market Senior Services</i> Rehabilitate basement and ground floor of newly acquired building to be used for programs for seniors.	0	100,000	100,000
<i>YMCA of San Francisco</i> Provide improvements at alternative high school, including electrical upgrades, ADA access work, fire sprinklers/alarm system, and fire rated stairwells	0	100,000	100,000
<b>Total New Program Funding in FY 2000-2001</b>			<b>\$440,000</b>
Programs funded in FY 1999-2000 and not funded or reduced in FY 2000-2001	713,500	0	(\$713,500)
<b>Total</b>	<b>\$924,000</b>	<b>\$650,500</b>	<b>(\$273,500)</b>

The Budget Analyst has reviewed budget details for the summary budgets noted above and has found them to be reasonable.

Comment

According to Mr. Pon, cost estimates for the capital improvement projects were developed by an architectural consultant and were reviewed by MOCD. All projects will be subject to the competitive bidding process.

Recommendation

1. Approval of requested funding of \$440,000 for new projects to be funded from the FY 2000-2001 CDBG program funds is a policy matter for the Board of Supervisors.
2. Approve \$210,500 for continuing projects.

**Section VI: Existing Facility Renovation - \$1,342,600**

The MOCD proposes to fund 20 agencies in the amount of \$1,342,600 for Existing Facilities Renovation in FY 2000-2001, an increase of \$310,420 or 30 percent, from the FY 1999-2000 budget allocation of \$1,032,180.

The Rehabilitation of Existing Facilities primarily involves rehabilitating buildings to meet health, fire and safety codes and licensing requirements. All of the projects under this program are for capital improvements or new construction and do not fund staff or administrative costs. The proposed cost for each project is based on an estimate prepared by an architect and reviewed by MOCD. The actual expenditures will be determined through a competitive bid process.

Funding proposed by MOCD for 20 existing community facilities is as follows:

<b>Program</b>	<b>FY 1999- 2000 Budget</b>	<b>Proposed FY 2000- 2001 Budget</b>	<b>Increase/ (Decrease) in FY 2000-2001 Budget</b>
<b><i>Arriba Juntos</i></b> Install elevator to make second floor classrooms wheelchair accessible	0	100,000	100,000
<b><i>Asian Neighborhood Design</i></b> Install elevator to improve accessibility to computer training center and classroom	0	50,000	50,000
<b><i>CAHEED</i></b> Rehabilitate infant/toddler development facility	0	60,000	60,000
<b><i>Coleman Advocates for Children</i></b> Improve access to early childhood development center, family support services, after school youth programs, and other services	0	115,000	115,000



Memo to Finance and Labor Committee  
 April 12, 2000 Finance and Labor Committee Meeting

Program	FY 1999- 2000 Budget	Proposed FY 2000- 2001 Budget	Increase/ (Decrease) in FY 2000-2001 Budget
<i>Economic Opportunity Council of SF</i> Repair termite damage, replace windows, and improve interior lighting at childcare center at 200 Cashmere Street	\$0	\$80,000	\$80,000
<i>Economic Opportunity Council of SF</i> Repair water damage and make safety improvements at Sojourner Truth Children's Center	0	45,000	45,000
<i>Ingleside Community Center</i> Upgrade electrical system and correct drainage at youth center	0	25,000	25,000
<i>Meals on Wheels of SF</i> Replace roof at meal preparation site	0	45,000	45,000
<i>Mission Language and Vocational School, Inc.</i> Replace light fixtures, heating system, and floor tiles at job training center	50,000	56,500	6,500
<i>Mission Neighborhood Centers</i> Install mechanical ventilation, expand children's toilet in childcare facility	0	68,000	68,000
<i>Potrero Hill Neighborhood House</i> Replace heating system, windows, and skylights at neighborhood center	0	120,000	120,000
<i>Sage Project</i> Provide accessibility improvements for building that serves women and girls dealing with and moving away from prostitution	0	100,000	100,000
<i>Southwest Community Corporation</i> Repair dry rot, plumbing, and install new signage at community facility	0	50,000	50,000

Memo to Finance and Labor Committee  
 April 12, 2000 Finance and Labor Committee Meeting

Program	FY 1999-2000 Budget	Proposed FY 2000-2001 Budget	Increase/ (Decrease) in FY 2000-2001 Budget
<i>St. Boniface Neighborhood Center</i> Rehabilitation of neighborhood shelter and drop in center to provide ADA accessibility	\$0	\$175,000	\$175,000
<i>Visitacion Valley Community Center</i> Replace roof and upgrade alarm system at 66 Raymond Avenue	0	12,000	12,000
<i>Visitacion Valley Community Center</i> Install linoleum flooring in senior dining room at 50 Raymond Avenue	0	30,000	30,000
<i>YMCA of SF</i> Install new flooring in social hall used by seniors, adults, and youth	0	15,000	15,000
<b>Total New Funding in FY 2000-2001 budget</b>			<b>\$1,096,500</b>
Projects funded in FY 1999-2000 and not funded in FY 2000-2001	\$786,080	0	(\$786,080)
<b>Total</b>	<b>\$1,032,180</b>	<b>\$1,342,600</b>	<b>\$310,420</b>

The Budget Analyst has reviewed details of the summary budgets noted above, and has found that the requested amounts are reasonable.

Comment

According to Mr. Pon, cost estimates for the capital improvement projects were developed by an architectural consultant and were reviewed by MOCD. All projects will be subject to the competitive selection of contractors.

Recommendations

1. Approve funding of \$246,100 of the requested FY 2000-2001 CDBG amount of \$1,342,600 for continuing programs.

Memo to Finance and Labor Committee  
April 12, 2000 Finance and Labor Committee Meeting

2. Approval of requested funding of \$1,096,500 for 14 new projects and one expanded project to be funded from the FY 2000-2001 CDBG program funds is a policy matter for the Board of Supervisors.

Section VII: Other Rehabilitation Program Pools - \$1,490,000

The MOCD proposes to allocate \$1,490,000 to two Program Pools in FY 2000-2001, an increase of \$90,000, or a 6.4 percent increase from the FY 1999-2000 budget allocation of 1,400,000 for the two Program Pools.

Descriptions of the proposed Program Pools with increased funding is as follows:

Program	FY 1999- 2000 Budget	Proposed FY 2000- 2001 Budget	Increase/ (Decrease) in FY 2000- 2001 Budget
<i>Facility Emergency Relief Pool</i> Provided emergency capital funding to existing facilities that encounter unforeseen code problems during construction	\$1,000,000	\$1,090,000	\$90,000
<i>Disability Access Upgrade Pool</i> Provides funds to currently funded CDBG and Emergency Shelter Grant (ESG) agencies to bring their agencies into compliance with Americans with Disabilities Act (ADA) requirements	400,000	400,000	0
<b>Total</b>	<b>\$1,400,000</b>	<b>\$1,490,000</b>	<b>\$90,000</b>

Comments

1. According to Mr. Pon, the Facility Emergency Relief Pool provides funds to existing and new facility construction and renovation projects, noted in Sections V and VI above, that encounter unforeseen code or construction problems during the construction or renovation of the facility. Funds are also available to cover certain predevelopment expenses associated with the development of a new center.

2. MOCD has proposed an additional \$90,000 in Emergency Relief Pool monies to fund the Lavender Youth Recreation and Information Center. Mr. Pon states that the Lavender Youth Recreation Center had not yet received Planning Commission approval at the time of the CDBG grant application.

Memo to Finance and Labor Committee  
April 12, 2000 Finance and Labor Committee Meeting

The Budget Analyst recommends that \$90,000 be placed on reserve, pending submission of a program plan and budget details.

Recommendations

1. Place \$90,000 of the requested \$1,490,000 in FY 2000-2001 CDBG funding on reserve, as noted in Comment No. 2 above.
2. Approve \$1,400,000 of the requested \$1,490,000 in FY 2000-2001 CDBG funding.

**Section VIII: Public Services Program - \$4,972,779**

The MOCD proposes to fund 80 Public Service programs in the amount of \$4,972,779 in 2000, a decrease of \$151,010, or 2.9 percent, from the 1999 budget allocation of \$5,123,789, which funded 77 Public Service programs.

Descriptions of the proposed Public Service Programs with new or increased funding are as follows:

<b>Program</b>	<b>FY 1999- 2000 Budget</b>	<b>Proposed FY 2000- 2001 Budget</b>	<b>Increase/ (Decrease) in FY 2000-2001 Budget</b>
<i><b>Arab Cultural Center</b></i> Provides youth development services, particularly to Arab American girls	\$0	\$30,000	\$30,000
<i><b>Chinese Newcomers Service Center</b></i> Provides bilingual job preparation, information, placement and retention services for immigrants	0	50,000	50,000
<i><b>Central American Resource Center</b></i> Provides work permit application assistance to low-income Latino immigrants	28,468	32,000	3,532
<i><b>Milestones Human Services, Inc.</b></i> Provides job retention services, including mentoring services to persons coming out of the criminal justice system	0	44,557	44,557
<i><b>Renaissance Parents of Success</b></i> Provides job placement, job readiness and comprehensive vocational computer education	133,042	133,489	447



Memo to Finance and Labor Committee  
 April 12, 2000 Finance and Labor Committee Meeting

Program	FY 1999- 2000 Budget	Proposed FY 2000- 2001 Budget	Increase in FY 2000-2001 Budget
<i>San Francisco League of Urban Gardeners</i> Provides housing counseling services, including case management, prevention of Section 8 conversions and tenant education	0	\$33,000	\$33,000
<i>Toolworks</i> Provides a new training program for individuals with disabilities	0	46,770	46,770
<b>Total new funding in FY 2000-2001 budget</b>			<b>\$208,306</b>
1999-2000 Programs not funded in 2000-2001			(359,316)
<b>Total</b>	<b>\$161,510</b>	<b>\$369,816</b>	<b>(\$151,010)</b>

The Budget Analyst has reviewed details of the summary budgets noted above, and has found that the requested amount is reasonable.

Recommendations

1. Approve funding of \$4,764,473 out of the requested FY 2000-2001 CDBG amount of \$4,972,779 for continuing programs.
2. Approval of funding for new programs and increased funding for existing programs in the amount of \$208,306 a policy matter for the Board of Supervisors.

**Section IX: Economic Development Program - \$1,108,034**

The MOCD proposes to allocate \$1,108,034 to fund 12 Economic Development Programs, a decrease of \$188,000, or 14.5 percent, from the FY 1999-2000 budget allocation of \$1,296,034.

Descriptions of the proposed Economic Development Programs that are new or are receiving increased funding is as follows:

<b>Program</b>	<b>FY 1999-2000 Budget</b>	<b>Proposed FY 2000-2001 Budget</b>	<b>Increase in FY 2000-2001 Budget</b>
<i><b>Arriba Juntos</b></i> Provide home care training program targeting paraprofessional health services industry, particularly those serving the home bound and elderly	0	\$30,000	\$30,000
<i><b>Mayor's Economic Development Pool</b></i> Pool for to provide loan technical assistance for small business receiving loans through other organizations listed in this chart	0	100,000	100,000
<i><b>Mission Economic Development Association</b></i> Provide loan packaging and technical assistance for small businesses, women and/or minority-owned businesses	241,734	266,734	25,000
<i><b>Northeast Community Federal Credit Union</b></i> Provide neighborhood banking services in the Tenderloin	0	50,000	50,000
<b>Total New Funding in FY 2000-2001</b>			<b>205,000</b>
Decreased project funding in 2000-2001 from 1999-2000 levels			(393,000)
<b>Total Increased (Decreased) Funding</b>			<b>(\$188,000)</b>

Memo to Finance and Labor Committee  
April 12, 2000 Finance and Labor Committee Meeting

The Budget Analyst has reviewed details of the summary budgets noted above, and has found that the requested amount is reasonable.

Comment

MOCD has proposed \$100,000 for the Mayor's Office of Economic Development to fund technical assistance services for small businesses in the Chinese community. The Budget Analyst recommends that this \$100,000 be placed on reserve, pending submission of a program plan and budget details.

Recommendations

1. Approve funding of \$803,034 of the requested FY 2000-2001 CDBG amount of \$1,108,034 for continuing programs.
2. Place \$100,000 of the requested \$1,108,034 in FY 2000-2001 CDBG funding on reserve, as noted in the Comment above
3. Approval of funding for new programs and increased funding for existing programs in the amount of \$205,000 a policy matter for the Board of Supervisors.

**Section X: Microenterprise Assistance - \$675,792**

The MOCD proposes to allocate \$675,792 to fund seven Microenterprise Assistance Programs, a decrease of \$121,808, or 15.2 percent, from the 1999 budget allocation of \$797,600.

Descriptions of the proposed Microenterprise programs that are new or are receiving increased funding are as follows:

Program	FY 1999- 2000 Budget	Proposed FY 2000- 2001 Budget	Increase in FY 2000- 2001 Budget
<b>CAHEED</b> Provide family child care entrepreneurship training, particularly to TANF and CalWORKs individuals	0	58,192	58,192
Decreased project funding in FY 2000- 2001 from FY 1999-2000 levels	\$180,000		(180,000)
<b>Total Increased (Decreased) Funding</b>			<b>(\$121,808)</b>

The Budget Analyst has reviewed details of the summary budgets noted above, and has found that the requested amount is reasonable.

**Recommendations**

1. Approve funding of \$617,600 out of the requested FY 2000-2001 CDBG amount of \$675,792 for continuing programs.
2. Approval of funding for new programs and increased funding for existing programs in the amount of \$58,192 a policy matter for the Board of Supervisors.

**Section XI: Planning and Capacity Building - \$812,415**

The MOCD proposes to fund 18 agencies in the amount of \$812,415 in FY 2000-2001, an increase of \$37,055 or 4.8 percent, from the FY 1999-2000 budget allocation of \$775,360, which funded 12 agencies. This category provides funds to agencies to support short- and long-range planning and development.

Descriptions of the proposed Planning and Capacity Building programs with new or increased funding are as follows:

Program	FY 1999- 2000 Budget	Proposed FY 2000- 2001 Budget	Increase/ (Decrease) in FY 2000- 2001 Budget
<i>African Immigrant and Refugee Resource Center</i> Provides training for executive directors and boards of directors of community-based organizations in capacity building and strategic planning	\$0	\$15,000	\$15,000
<i>Booker T. Washington Community Service Center</i> Funds would be expended on a feasibility study to determine what type of facility would best serve the needs of the community.	0	15,000	15,000
<i>Chinese for Affirmative Action</i> Funds would be expended on an assessment and evaluation of current employment services, and on a planning process, resulting in improved services.	0	20,000	20,000
<i>Friends of St. Francis Childcare Center</i> Funds would be expended on a strategic planning process and training for the board of directors of childcare center.	0	10,000	10,000
<i>Geneva Valley Development Corporation</i> Funds would be expended on strategic planning and board training for lead organization of a collaborative multi-service center.	0	20,000	20,000

Memo to Finance and Labor Committee  
 April 12, 2000 Finance and Labor Committee Meeting

<b>Program</b>	<b>1999 Budget</b>	<b>Proposed 2000 Budget</b>	<b>Increase in 2000 Budget</b>
<i><b>Hearing Society for the Bay Area</b></i> Would conduct needs assessment of deaf and hard of hearing San Franciscans	\$0	\$15,000	\$15,000
<i><b>Hearth Homes</b></i> Would conduct feasibility study of developing a system for persons with physical disabilities to access affordable housing	0	12,000	12,000
<i><b>Juma Ventures</b></i> Funds would be expended on several business feasibility studies which would be used to launch new business ventures, employing low-income youth.	0	\$19,500	19,500
<i><b>Korean American Association of S.F. Bay Area</b></i> Funds would be expended on a feasibility study and action plan for the renovation of a community center.	0	30,000	30,000
<i><b>MOCD Planning and Capacity Building Pool</b></i> Provides support for planning MOCD projects and capacity building	284,386	327,967	43,581
<i><b>MOH Planning and Capacity Building Pool</b></i> Provides support for planning MOH projects and capacity building	50,000	50,000	0



Memo to Finance and Labor Committee  
 April 12, 2000 Finance and Labor Committee Meeting

Program	FY 1999- 2000 Budget	Proposed FY 2000- 2001 Budget	Increase/ (Decrease) in FY 2000-2001 Budget
<i>South of Market Childcare</i> Would undertake assessment and establishment of ongoing strategic planning process, including staff and board training to build organizational capacity	\$0	\$15,000	\$15,000
<i>Lyon-Martin Women's Health Services</i> Funds would be expended on strategic planning and board/staff development for women's health services organization.	0	5,000	5,000
<i>Volunteer Center of San Francisco</i> Provides volunteer referrals to nonprofit agencies	0	25,000	25,000
<i>Women's Initiative for Self-Employment</i> Would undertake planning and testing process to evaluate impact of Spanish-language training and technical assistance services to Latina entrepreneurs	0	21,450	21,450
<i>Young Community Developers</i> Would undertake a strategic planning process, including board/staff training and drafting a fundraising and development plan	0	15,000	15,000
<b>Total new and increased funding in FY 2000-2001</b>			<b>\$281,531</b>
Programs funded in FY 1999-2000 not funded or reduced in FY 2000-2001		0	(244,476)
<b>Total</b>	<b>\$775,360</b>	<b>\$812,415</b>	<b>\$37,055</b>

Comments

1. According to Ms. Anna Yee of MOCD, funding for planning and capacity building is provided to community organizations on a one-time basis for one of two purposes: (a) to assist with internal organizational development, such as training staff in developing strategic plans, or (b) to assist in developing an assessment or feasibility study for new types of projects. MOCD is recommending new or increased funding for the organizations noted above in FY 2000-2001 for such purposes.

2. Ms. Yee states the MOCD and MOH Planning and Capacity Building Program Pools would provide funds during the fiscal year for staff training and development to organizations that did not apply for such funds in the CDBG grant application process. According to Ms. Yee, as of February 1, 2000, MOCD has expended \$250,173 of the FY 1999-2000 allocation of \$284,386. Ms. Yee states that MOCD expects to expend the remaining balance of \$34,213 (\$284,386 less \$250,173) prior to June 30, 2000. As noted above, MOCD has requested \$327,967 in FY 2000-2001 for the MOCD Planning Pool, which is \$43,581 or 15 percent more, than budgeted in FY 1999-2000. The Budget Analyst recommends that \$43,581 of the requested FY 2000-2001 allocation of \$327,967 be placed on reserve, pending submission of an expenditure plan and budget details.

The requested allocation for the MOH Planning and Capacity Building Program Pool in FY 2000-2001 is \$50,000, which is unchanged from the prior year allocation.

3. Ms. Yee states that HUD requires a one-year and five-year plan for the Emergency Shelter Grant, CDBG, Home Investment Partnership, and Housing Options for People With AIDS programs. Consolidated Planning and Capacity Building Program Pool funds are used to pay for staff time to prepare the required plan. The requested FY 2000-2001 allocation of \$96,498 is \$104,976 or 52 percent less than the FY 1999-2000 allocation of \$201,474 because MOCD is preparing a one-year rather than a five-year report.

Recommendations

1. Place \$43,581 of the requested FY 2000-2001 MOCD Planning and Capacity Building Pool allocation of \$327,967 on reserve, as noted in Comment No. 2.

Memo to Finance and Labor Committee

April 12, 2000 Finance and Labor Committee Meeting

2. Approve funding of \$530,884 of the requested FY 2000-2001 CDBG amount of \$812,415 for continuing programs, including MOH, MOCD, and Consolidated Planning Pools.

3. Approval of funding for new or increased programs in the amount of \$281,531 is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS

BUDGET ANALYST

**Section XII: Program Administration - \$4,416,605**

The MOCD proposes to fund five City Departments in the amount of \$4,416,605 for Program Administration in FY 2000-2001, an increase of \$284,523 or 6.9 percent, from the FY 1999-2000 Program Administration budget allocation of \$4,132,082. The five City Departments include the Controller's Office, the Mayor's Office of Community Development, the Mayor's Office of Housing, the City Attorney's Office, and the Human Rights Commission. The summary budget for Program Administration is as follows:

Department	FY 1999-2000 Budget	Proposed FY 2000-2001 Budget	Increase/ (Decrease) in FY 2000-2001 Budget
<b><u>Controller</u></b>			
Audit and Indirect Costs	\$124,015	\$60,000	(\$64,015)
Audit and Indirect Costs (MOH)	<u>0</u>	<u>60,000</u>	<u>60,000</u>
<i>Subtotal</i>	\$124,015	\$120,000	(\$4,015)
<b><u>Mayor's Office of Community Development</u></b>			
Administration	2,291,132	2,421,582	130,450
Enterprise Community Program (salary and personnel costs for 0.75 FTE)	126,962	54,671	(72,291)
Environmental Review	15,000	15,000	0
Office of Homeless (salary and personnel costs for 1.0 FTE)	90,420	54,744	(35,676)
Disability Council	<u>10,000</u>	<u>10,000</u>	<u>0</u>
<i>Subtotal</i>	\$2,533,514	\$2,555,997	\$22,483
<b><u>Mayor's Office of Housing</u></b>			
Affordable Housing Bonds (salary and personnel costs for 1.2 FTEs)	0	129,329	129,329
Administration	1,159,553	1,101,038	(58,515)
Environmental Review	15,000	15,000	0
Lead (salary and personnel costs for 2.45 FTEs)	<u>0</u>	<u>185,241</u>	<u>185,241</u>
<i>Subtotal</i>	\$1,174,553	\$1,430,608	\$256,055

Memo to Finance and Labor Committee  
 April 12, 2000 Finance and Labor Committee Meeting

Department	FY 1999-2000 Budget	Proposed FY 2000-2001 Budget	Increase/ (Decrease) in FY 2000-2001 Budget
<u>City Attorney's Office</u>			
MOCD	50,000	25,000	(25,000)
MOH	0	25,000	25,000
<i>Subtotal</i>	\$50,000	\$50,000	0
<u>Human Rights Commission</u>	250,000	260,000	10,000
<b>Total Program Administration</b>	<b>\$4,132,082</b>	<b>\$4,416,605</b>	<b>\$284,523</b>

Comments

1. The FY 2000-2001 MOCD/MOH budget, which includes both MOCD/MOH administration and program management costs, contains 72 budgeted full time equivalent (FTE) positions, which is unchanged from the 72 FTEs budgeted in FY 1999-2000.

2. For FY 2000-2001 MOCD is proposing a budget of \$2,036,482 for salary and related personnel costs for 26.9 FTEs, out of a total MOCD administration budget of \$2,421,582. For FY 2000-2001, MOH is proposing a budget of \$916,794 for salary and related personnel costs for 12.65 FTEs, out of a total MOH administration budget of \$1,101,038. MOCD and MOH administration budgets therefore contain a total of 39.55 FTEs in FY 2000-2001. Currently, MOCD has one vacant Special Assistant XII position. MOH has no vacant positions.

3. In addition to the 39.55 FTEs noted in Comment No. 2, the FY 2000-2001 Program Administration budget includes 5.4 FTEs in other MOCD and MOH administration programs (Enterprise Community, Office of Homelessness, Affordable Housing Bonds, and MOH Lead programs), for a total of 44.95 FTEs<sup>1</sup> (39.55 plus 5.4).

4. The proposed FY 2000-2001 allocations for the MOCD Enterprise Community Program (0.75 FTE) and the Office of Homeless (1.0 FTE) are reduced from the FY 1999-2000 allocations. The Enterprise Community Program was allocated 2.0 FTEs in FY 1999-2000. The Office of Homeless

<sup>1</sup> The remaining 27.05 FTEs (72 less 44.95) are distributed among the various CDBG MOCD MOH programs discussed in the program sections of this report.

Memo to Finance and Labor Committee  
April 12, 2000 Finance and Labor Committee Meeting

was allocated 1.0 FTE in FY 1999-2000 for a Homeless Coordinator, budgeted at \$93,216 annually. The proposed FY 2000-2001 budget for the Office of Homeless contains 1.0 FTE Special Assistant IX, budgeted at \$54,744 annually.

5. In FY 2000-2001, MOH has allocated existing FTEs to the Affordable Housing Bonds and MOH Lead programs that were not allocated in FY 1999-2000, as follows:

- Allocation of \$129,329 to fund 1.2 existing FTEs for the MOH Affordable Housing Bonds program. Mr. Roger Sanders of MOCD states that MOH is currently using staff time to administer Affordable Housing Bonds<sup>2</sup> projects and, additionally, expects to request appropriation of approximately \$40,000,000 in Affordable Housing Bonds proceeds in FY 2000-2001.
- Allocation of \$185,241 to the MOH Lead program to fund 2.45 existing FTEs. Allocation of the 2.45 FTEs was approved by the Board of Supervisors in March of 1999, to provide in-kind matching funds for a \$3,900,000 grant provided by HUD to the City for the Lead Hazard Reduction and Primary Prevention Program (File 99-0445).

6. In developing personnel costs associated with MOH program activities (MOH Lead program and Affordable Housing Bonds program), MOH did not include calculations for salary savings (5 percent budget reduction) or negotiated salary increases (4 percent budget increase). Therefore, MOH budgeted personnel costs should be reduced by a net amount of \$3,146.

7. MOCD has budgeted \$260,000 in FY 2000-2001 for the Human Rights Commission, which is a \$10,000 increase from the FY 1999-2000 budget of \$250,000. According to Mr. Sanders, the MOCD has not identified use of the proposed \$10,000 increase. The Budget Analyst recommends that the proposed allocation be reduced by \$10,000 from \$260,000 to \$250,000. The \$10,000 amount to be reduced can be reserved for other CDBG eligible activities.

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<sup>2</sup> Mr. Sanders states that Affordable Housing Bond proceeds do not provide an allocation for administrative costs of the Bond programs.



Memo to Finance and Labor Committee  
April 12, 2000 Finance and Labor Committee Meeting

Recommendations

- 1.Reduce the Program Administration allocation by \$13,146 (\$3,146 plus \$10,000), as noted in Comments 6 and 7, and reserve \$13,146 for other CDBG eligible activities.
2. Approve \$4,403,459 for the FY 2000-2001 Program Administration allocation.

**Section XIII: Program Income-Funded Activities- \$8,459,275**

HUD requires that anticipated CDBG-related program income to MOCD, MOH, and the San Francisco Redevelopment Agency (SFRA) be allocated through the submission of an annual application for CDBG funds. MOCD, MOH, and SFRA anticipate program income in the amount of \$8,459,275 in FY 2000-2001 from the repayment of economic development loans, housing rehabilitation loans, and land sales and rental income.

The \$8,459,275 in program income would be expended as follows:

Program	Proposed FY 2000-2001 Budget
<b><u>MOCD/MOH</u></b>	
<b><i>Section 108 Loan Repayment</i></b> Loans exceeding \$100,000 to businesses identified as consistent with and supporting specific economic development initiatives	\$2,478,275
<b><i>Section 108 Daycare Repayment</i></b> Provides loans specified for childcare facilities	250,000
<b><i>Capital Projects</i></b> Payment of predevelopment and other costs associated with capital projects	1,350,000
<b><i>Microenterprise Loan Program</i></b> Provides loans up to \$10,000 to support Microenterprises and self-employment enterprises	250,000
<b><i>Small Business Loan</i></b> Provides loans up to \$100,000 to existing small Businesses	750,000
<b><i>Community Housing Rehabilitation Revolving Loan Program</i></b> Provides financial and technical assistance to Eligible low-income homeowners	240,000

Memo to Finance and Labor Committee  
 April 12, 2000 Finance and Labor Committee Meeting

Program	Proposed FY 2000-2001 Budget
<b><u>SFRA</u></b>	
<i>Central Relocation Services</i> Provides relocation services to displaced Households	100,000
<i>Low Income Housing</i> Provides funds for low-income housing activities	1,048,000
<i>General Program Administration</i>	612,000
<i>Economic Development</i> Provides funds for economic development, such as Job training, in low income areas	606,000
<i>Planning India Basin</i> Provides funds for planning efforts for the India Basis area	250,000
<i>Planning Mid Market</i> Provides funds for planning efforts for the Mid Market area	525,000
<b>Total Funding</b>	<b>\$8,459,275</b>

Comments

1. In FY 1999-2000 the San Francisco Redevelopment Agency (SFRA) had significant one-time expenses related to the debt service for Yerba Buena Center, including payment of Tax Allocation Bonds and Yerba Buena Garden Bonds. Such debt service, totaling \$36,303,000, was funded from the SFRA land sales and rental income.

2. The attached memorandum, provided by Ms. Pamela David of MOCD, explains the proposed new Capital Projects Pool, totaling \$1,350,000. This pool of money would provide funds (a) for pre-development costs for non-housing capital projects, such as community centers, (b) assistance to nonprofit organizations in obtaining building space, and (c) American with Disabilities Act improvements to Brooks Hall. The Budget Analyst recommends that \$300,000 of the requested \$1,300,000 Capital Projects Pool for the Brooks Hall improvements be placed on reserve, pending submission

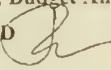
Memo to Finance and Labor Committee  
April 12, 2000 Finance and Labor Committee Meeting

of budget details. Approval of this new pool of money, including monies to be placed on reserve, is a policy matter for the Board of Supervisors.

Recommendations

1. Reserve \$300,000 for the Brooks Hall improvements, as noted in Comment. No. 2.
2. Approval of \$1,350,000 for the new Capital Projects Pool is a policy matter for the Board of Supervisors.
3. Approve \$7,109,275 (\$8,459,275 of proposed Program Income-Funded Activities, less \$1,350,000) for the expenditure of MOCD, MOH, and SFRA program income, as recommended by MOCD.

**MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT  
CITY AND COUNTY OF SAN FRANCISCO****WILLIE LEWIS BROWN, JR.**  
MAYOR**PAMELA H. DAVID**  
DIRECTOR**MEMORANDUM**

**TO:** Severin Campbell, Budget Analyst  
**FROM:** Pam David, MOCD   
**DATE:** April 6, 2000  
**RE:** Capital Projects/MOCD Line Item

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This is a new use of funds being established in this year's CDBG budget. It addresses two pressing problems, and a third long-standing commitment.

1. Need for pre-development funding for capital projects.

We are engaged in numerous projects with the Mayor's Office of Housing and the Redevelopment Agency, in which we are contributing to non-housing community space attached to an affordable housing project. The financing of affordable housing allows for pre-development costs (design, engineering, planning, etc.) However, we have never established a similar pool of funds to partner with our New and Existing Facility monies (we cannot use those funds for "soft" costs).

For example, in housing projects in which we are (thru CDBG and/or our Section 108 Child Care Facility Loan Fund) helping construct child care centers, the developers and child care providers have no source of funds to plan out the child care. The developers can not use affordable housing funds for non-housing portions of the development, and neither the developers nor child care providers have had other avenues of support for these necessary activities. There are also stand-alone community facility projects which require pre-development funds to increase their eventual effectiveness.

Thus, this \$1.35M line item provides, for the first time, an allowable funding stream within our CDBG program to cover such necessary expenditures and activities. We believe the availability of these funds will expedite many of our capital projects, and result in better design and eventual use of the various community facilities in which we invest capital dollars. We believe we require no less than \$150,000 per year for this, but may require, in fact, considerably more.

Severin Campbell  
April 6, 2000

## 2. Addressing the space/rent crisis facing community-based non-profit organizations

The huge shifts in S.F.'s commercial real estate market are heavily impacting many of the non-profit organizations with whom we partner to carry out essential community development activities. The availability of commercial space has dramatically decreased, and market rate rents correspondingly have increased. Many of the community-based non-profits funded by MOCD have been located in the mid-Market, SOMA and Mission neighborhoods BECAUSE these districts afforded reasonable space and rent structures. Many of the organizations have historically enjoyed long-term leases, and have been paying relatively low rents (from less than \$1/sf to \$3/sf). Yet, it is these neighborhoods in which the commercial rental situation has most changed.

A recent survey conducted by MOCD revealed that over 75% of the grantees responding lease their space, and have leases expiring within 12 to 36 months. In addition, more than 75% of those do not expect to be able to continue to lease their space without significant rent increases, if allowed to stay at all. Rents in the SOMA and mid-Market Street areas, pushed by the explosion of dot.com companies, have now reached as high as \$85/sf, rates completely out of reach of even the most established, largest and successful non-profits, much less smaller community groups.

Entire buildings, which have, for many years, housed numbers of non-profits, are being sold to dot.com companies and/or being leased out to this industry sector as old leases expire. 965 Mission Street, 1663 Mission Street, the Bay View Bank building—these are just a few examples of buildings in which numerous non-profits, have lost or will shortly be losing their space.

MOCD has been providing leadership on this issue for the past three months, convening other City agencies, as well as the philanthropic and business communities to come together and begin to strategize various solutions. We have done some very preliminary research, and are helping shape further more detailed studies, engaging the non-profits themselves in the process as well. Most importantly, we are assisting in providing a framework for solutions, as there is not a "one size fits all" approach that will work.

Many organizations may be able to be clustered within one or several buildings in the mid-Market area. But others have to remain in the communities that they are serving, i.e. the South of Market, the Mission, the Bayview. Some organizations need confidential sites, some need open space attached. Nearly all have to be easily accessible by public transit. Community-based organizations need assistance in identifying their needs, and the right direction for them to pursue. Some may be able to buy the buildings they're in; others may be developing consortiums to purchase property. Still others may be looking to and working with the philanthropic sector to develop non-profit space that could be leased at below-market rates.




Severin Campbell  
April 6, 2000

This line item establishes a flexible source of funds to help the non-profits address these varied issues, and provide support as necessary. It would be irresponsible for MOCD to not develop a fluid, readily available and flexible funding stream to assist in addressing this important issue. Our goal should always be to maximize the dollars going into programs, and not see public or philanthropic dollars being eaten up by hugely escalating operating costs. We believe it is prudent to have at least \$1 million available for this project, and have budgeted accordingly.

3. Long-standing commitment to Brooks Hall Reuse Plan

The Mayor has requested that we reserve in our budget \$300,000 for ADA improvements at Brooks Hall. Brooks Hall is being transformed into the Mayor's Center for Advanced Technology, and requires significant ADA upgrades. We are attaching a brief description of the project and use of funds, prepared by DTIS.

## CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF TELECOMMUNICATIONS  
AND INFORMATION SERVICES

Liza M. Lowery  
Director

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Deputy Director

Policy, Planning and Compliance Division

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The Mayor's Center for Advanced Technology  
(MCAT)Budget information for FY 1999/2000:

Project Summary: The Mayor's Center for Advanced Technology (MCAT) is approximately a 30,000 square foot technology center to be located in Brooks Hall. The MCAT will provide access to multimedia and information technology including a video production facility, and provide technical training and support. The requested funds will be used for ADA related upgrades per current code requirements.

Budget information: \$ 300,000.00

Modify existing rest room facility to meet current ADA requirements:  
\$ 125,000.00

Replace non-compliant escalator with code compliant elevator to provide public access to MCAT.  
\$ 175,000.00

Program or Recipient	FY 1999-2000		Proposed FY 2000- 2001		Increase (Decrease) in FY 2000-2001 Budget from FY 1999-2000 Budget	Proposed Reductions	New or Expanded Programs
	Budget	Budget	Budget	Budget			
<b>I. Housing Program Administration</b>							
Asian, Inc		\$211,180		\$211,180			\$211,180
Asian Neighborhood Design	316,200		319,200		3,000		3,000
Bernal Heights Housing Corporation	248,800		248,800				
Chinatown Community Development Center	381,761		381,761				
Community Design Center	115,000		115,000				
Community Housing Partnership	96,085		96,085				
Housing Conservation & Development Corporation	270,821		270,821				
Mission Housing Development Corporation	359,300		360,000		700		700
Tenants & Owners Development Corp (TODC), Inc	191,713		191,713				
Tenderloin Neighborhood Development Corp	288,000		288,000				
Subtotal Housing Program Administration	\$2,267,680		\$2,482,560		\$214,880		\$214,880
<b>II. Housing Program Pools/ Miscellaneous</b>							
Housing Development Pool	\$5,673,115		\$5,406,501		(\$266,614)		
Subtotal Housing Program Pools	\$5,673,115		\$5,406,501		(\$266,614)		
<b>III. Public Housing Program Pool</b>							
San Francisco Housing Authority	\$100,000		\$251,000		\$151,000		\$251,000
Subtotal Public Housing Rehabilitation Program	\$100,000		\$251,000		\$151,000		\$251,000
<b>IV. Public Space Improvement Program</b>							
City College of San Francisco	\$86,000				(\$86,000)		
Public Space Improvement Program Pool	200,000		\$200,000				
San Francisco Conservation Corps	1,067,715		\$1,210,714		142,999		142,999
San Francisco Friends of the Urban Forest (FUF)	24,000				(24,000)		
San Francisco League of Urban Gardeners (SLUG)	310,500		\$255,500		(55,000)		
Subtotal Public Space Improvement Program	\$1,688,215		\$1,666,214		(\$22,001)		\$142,999

CDBG PROGRAM SUMMARY OF RECOMMENDATIONS

Program or Recipient	Proposed FY		Increase (Decrease) in FY 2000-2001 Budget from FY 1999-2000 Budget	Proposed Reductions	New or Expanded Programs
	FY 1999-2000 Budget	2000- 2001 Budget			
V. New Facilities Development					
899 Guerrero Street, Inc.	\$250,000		(\$250,000)		
Charity Cultural Services Center	150,000	110,500	(39,500)		90,000
Community Center Project		90,000	90,000		150,000
Geneva Valley Development Corporation		150,000	150,000		
Housing Services Affiliate of the Bernal Heights	224,000		(224,000)		
John W. King Senior Center	200,000	100,000	(100,000)		100,000
North of Market Senior Services		100,000	100,000		
North and South Market Adult Day Health	100,000		(100,000)		
YMCA of San Francisco		100,000	100,000		100,000
Subtotal: New Facilities Development	\$924,000	\$650,500	(\$273,500)		\$440,000
VI. Existing Facilities Renovation					
ARC, San Francisco	\$70,000		(\$70,000)		
Ark of Refuge	72,280	48,300	(23,980)		100,000
Arriba Juntos		100,000	100,000		50,000
Asian Neighborhood Design		50,000	50,000		60,000
CALIFED		60,000	60,000		
Centro del Pueblo	75,500		(75,500)		
Coleman Advocates for Children		115,000	115,000		115,000
Economic Opportunity Council of SF		80,000	80,000		80,000
Economic Opportunity Council of SF		45,000	45,000		45,000
Haight Ashbury Food Program	103,000		(103,000)		
Hunters Point Boys' & Girls Club	25,000		(25,000)		
Ingleside Community Center		25,000	25,000		25,000
Jewish Vocational Service	14,000		(14,000)		
Larkin Street Youth Center	164,000		(164,000)		
Meals on Wheels		45,000	45,000		45,000
Mission Language and Vocational School	50,000	56,500	6,500		6,500
Mission Neighborhood Centers		68,000	68,000		68,000
Mission Neighborhood Centers, Inc. (Regina Chung Family Ctr.)	29,500		(29,500)		
Mission Neighborhood Centers, Inc. (Precita Center)	50,000		(50,000)		
Potrero Hill Neighborhood House		120,000	120,000		120,000
Recreation Center for the Handicapped	55,000		(55,000)		
Sage Project		100,000	100,000		100,000
San Francisco Women's Center	125,000		(125,000)		
Southwest Community Corporation		50,000	50,000		50,000
St. Boniface Neighborhood Center		175,000	175,000		175,000
Swords to Plowshares	75,900	66,300	(9,600)		
Walden House	123,000	81,500	(41,500)		
Vistacon Valley Community Center		30,000	30,000		30,000
Vistacon Valley Community Center		12,000	12,000		12,000
YMCA of San Francisco		15,000	15,000		15,000
Subtotal: Existing Facilities Renovation	\$1,032,180	\$1,342,600	\$310,420		\$1,096,500

CDBG PROGRAM SUMMARY OF RECOMMENDATIONS

Program or Recipient	FY 1999-2000		Proposed FY 2000- 2001		Increase (Decrease) in FY 2000-2001 Budget from FY 1999-2000 Budget	Proposed Reductions	New or Expanded Programs
	Budget		Budget				
VII. Other Rehabilitation Program Pools							
Disability Access Upgrade Program Pool	\$400,000		\$400,000				
Facility Emergency Relief Pool	1,000,000		1,090,000		90,000		
Subtotal: Program Pools	\$1,400,000		\$1,490,000		\$90,000		
VIII. Public Services							
A) Employment and Training							
African Immigrant and Refugee Resource Center	\$66,600		\$66,600				30,000
Arab Cultural Center			30,000		30,000		
Bay Area Video Coalition	150,000		150,000				
Bayview Hunters Point Network for Elders	32,830		32,830				
Career Resources Development Center	142,842		128,558		(14,284)		
Central American Resource Center (CARTN)	28,468		32,000		3,532		3,532
Charity Cultural Services Center	100,000		100,000				
Chinese for Affirmative Action	100,000		100,000				
Chinese Newcomers Service Center	30,927		30,927				
Chinese Newcomers Service Center			50,000		50,000		50,000
Community Vocational Int	41,142		41,142				
Filipino-American Council of San Francisco	50,000		50,000				
Glode Foundation	56,000		56,000				
Jewish Vocational Service	60,000		60,000				
Local Economic Assistant Program/OpNet	62,000		62,000				
Milestones Human Services, Inc			44,557		44,557		44,557
Mission Hiring Hall, Inc	118,738		118,738				
Mission Language and Vocational School, Inc	214,100		214,000		(100)		
Northern California Coalition for Immigrant Rights	50,000		50,000				
Northern California Service League	68,000		68,000				
Rehabilitation Services of Northern California	43,000				(43,000)		
Renaissance Parents of Success	133,042		133,489		447		447
Vietnamese Community Center of San Francisco	68,555		68,555				
Visitation Valley JET (Jobs, Education & Training)	100,000		100,000				
West Bay Filipino Multi-Service Corporation	50,000		50,000				
Young Community Developers	75,000		75,000				
Subtotal (A) Adult Employment and Training	\$1,841,244		\$1,912,396		\$71,152		\$128,536
B) Child Care Services							
CARE-ED, Inc	\$58,192						
Catholic Youth Organization/Mission Day Care	61,325		61,325		(\$58,192)		
Mission Neighborhood Centers	40,000		40,000				
Whitney Young Child Development Center, Inc	77,160		77,160				

CDBG PROGRAM SUMMARY OF RECOMMENDATIONS

Program or Recipient	Increase (Decrease) in FY 2000-2001 Budget from FY 1999-2000 Budget (\$58,192)			New or Expanded Programs
	FY 1999-2000 Budget	Proposed FY 2000- 2001 Budget	Proposed Reductions	
Subtotal (B) Child Care Services	\$236,677	\$178,485		
<b>C) Disabled/HIV Services</b>				
AIDS Legal Referral Panel	39,500	39,500		
Community Alliance for Special Education (C ASE)	25,000	25,000		
Hearing Society for the Bay Area, Inc.	20,000	20,000		
Positive Resources/AIDS Benefits Counseling	30,000	30,000		
Subtotal (C) Disabled/HIV Services	\$114,500	\$114,500		
<b>D) Domestic Violence Services</b>				
Asian Law Caucus	\$55,500	\$55,500		
Asian Women's Shelter	31,500	31,500		
Community United Against Violence	26,700	26,700		
Donaldina Cameron House	23,911	23,911		
La Casa de las Madres	52,000	52,000		
Nihonmachi Legal Outreach	92,640	92,640		
San Francisco Neighborhood Legal Assistance Foundation	41,700	41,700		
Subtotal (D) Domestic Violence Services	\$323,951	\$323,951		
<b>E) Health Services</b>				
Lyon-Martin Women's Health Services	\$77,465	\$77,465		
New Leaf/Service for our Community	55,000	55,000		
San Francisco Child Abuse Prevention Center - Talk Line	32,500	32,500		
Subtotal (E) Health Services	\$164,965	\$164,965		
<b>F) Homeless Services (Non Emergency Shelter Grants)</b>				
Bar Assoc. of SF (BAS)/Volunteer Legal Services Program	\$30,000	\$30,000		
Compass Community Services	36,600	36,600		
Irkin Street Youth Center	25,000	25,000		
St. Vincent de Paul Society of San Francisco	45,000	45,000		
Swords To Plowshares	40,000	40,000		
Subtotal (F) Homeless Services (Non ISG Program)	\$176,600	\$176,600		
<b>G) Housing Counseling</b>				
California Advocates for Nursing Home Reform	\$23,000		(\$23,000)	
Independent Living Resource Center of San Francisco	60,000	60,000		
Legal Assistance to the Elderly	30,000	30,000		
Self Help for the Elderly	30,000	30,000		
Tenderloin Housing Clinic, Inc.	87,450	87,450		
Indes Center/ St. Peter's Housing Committee	31,571	31,571		
Indes Center/The Housing Rights Committee	80,000	47,000	(33,000)	
Subtotal (G) Housing Counseling	\$342,021	\$286,021	(\$56,000)	
<b>I) Legal Services To Immigrants and Refugees</b>				



CDBG PROGRAM SUMMARY OF RECOMMENDATIONS

Program or Recipient	FY 1999-2000 Budget	Proposed FY 2000-2001 Budget	Increase (Decrease) in FY 2000-2001 Budget from FY 1999-2000 Budget	Proposed Reductions	New or Expanded Programs
Instituto Laboral de la Raza	\$68,000	\$68,000			
La Raza Centro Legal	156,800	156,800			
Subtotal (I1) Legal Services to Immigrants and Refugees	\$224,800	\$224,800			
<b>D. Multi-Services</b>					
Elia Hill Hutch Community Center	\$176,500	\$176,500			
Saanoo Community Development Center, Inc	75,000	75,000			
Southwest Community Corporation	50,000	50,000			
Subtotal (I) Multi-Services	\$301,500	\$301,500			
<b>J. Other Recipients and Planning</b>					
Bayview Hunter's Point Foundation (Community Defender)	\$146,414	\$60,000	(\$86,414)		33,000
San Francisco League of Urban Gardeners		33,000	33,000		46,770
Toolworks		46,770	46,770		
Subtotal (J) Other Recipients and Planning	\$146,414	\$139,770	(\$6,644)		\$79,770
<b>K) Senior Services</b>					
John W. King Senior Center	\$125,000	\$125,000			
Self Help for the Elderly	50,380	50,380			
Subtotal (K) Senior Services	\$175,380	\$175,380			
<b>L) Youth Services</b>					
Allen Community Development Corporation	\$100,000	\$75,000	(\$25,000)		
Ark of Refuge	70,000	70,000			
Booker T Washington Community Service Center	60,900	60,900			
Brava' for Women in the Arts, aka Brava Theater Co	47,000	47,000			
Central City Hospitality House	48,416	48,416			
Chinatown Youth Center	37,676	37,676			
ILAAPY (Haight Ashbury Plan Program for Youth)	35,000	35,000			
Horizons Unlimited of San Francisco	61,326				
Horizons Unlimited of San Francisco	20,000				
Immigrants Point Community Youth Park Foundation	172,144	172,144			
Ingliside Community Center	68,500	68,500			
Korean Center Inc	73,000	73,000			
Lavender Youth Recreation and Information Center (LYRIC)	30,000	30,000			
Mission Education Projects, Inc	60,000	50,000	(10,000)		
Mission Learning Center	106,575	106,575			
San Francisco Educational Services	50,000	45,000	(5,000)		
St. John's Educational Thresholds Center	25,200	25,200			
Youth for Service	10,000	10,000			
Subtotal (L) Youth Services	\$1,075,737	\$974,411	(\$101,326)		
Subtotal Public Services	\$5,123,789	\$4,972,779	(\$151,010)		\$208,306

CDBG PROGRAM SUMMARY OF RECOMMENDATIONS

Program or Recipient	Proposed FY		Increase (Decrease) in FY 2000-2001 Budget from FY 1999-2000 Budget	Proposed Reductions	New or Expanded Programs
	FY 1999-2000 Budget	2000- 2001 Budget			
IX. Economic Development					
Arriba Juniors		30,000	30,000		30,000
Columbia Park Boys & Girls Club	30,000	30,000			
Economic Development Pool (MOCD)	493,000	100,000	(393,000)		
Junia Ventures	40,000	40,000			
Junia Ventures	30,000	30,000			
Mayor's Office of Economic Development (EZ)		100,000	100,000		100,000
Mission Economic Development Association		266,734	25,000		25,000
Northeast Community Federal Credit Union	70,000	50,000	50,000		50,000
Private Industry Council of San Francisco, Inc.	130,000	130,000			
San Francisco League of Urban Gardeners (SLUG)	50,000	50,000			
South of Market Foundation	211,300	211,300			
Urban Economic Development Corporation					
Subtotal: Economic Development	\$1,296,034	\$1,108,034	(\$188,000)		\$205,000
X. Microenterprise Assistance					
Positive Resource Center (AIDS Benefits Counselors) CAH-EI	\$75,000	\$75,000			
Career Resources Development Center	100,000	58,192	58,192		58,192
Children's Council of SF	30,000	30,000	(100,000)		
Family Service Agency of SF	80,000		(80,000)		
SF Renaissance Entrepreneurship Center	213,500	213,500			
Southeast Asian Community Center	100,100	100,100			
Women's Initiative for Self Employment	115,000	115,000			
Wu Yee Children's Services	84,000	84,000			
Subtotal: Community Economic Development	\$797,600	\$675,792	(\$121,808)		\$58,192
XI. Planning and Capacity Building					
African Immigrant and Refugee Resource Center		\$15,000	\$15,000		\$15,000
Bay Area Urban League	20,000		(20,000)		
Booker T. Washington Community Service Center		15,000	15,000		15,000
Central American Resource Center (CARECEN)	15,000		(15,000)		
Chinese for Affirmative Action		20,000	20,000		20,000
Friends of St. Francis Childcare Center		10,000	10,000		10,000
Geneva Valley Development Corporation		20,000	20,000		20,000
Hearing Society for the Bay Area		15,000	15,000		15,000
Hearth Homes		12,000	12,000		12,000
Horizons Unlimited of SF	7,500		(7,500)		
Independent Living Resource Center of San Francisco	20,000		(20,000)		
John W. King Senior Center	12,000		(12,000)		
Junia Ventures		19,500	19,500		19,500
Korean American Association of S.F., Bay Area		30,000	30,000		30,000
Lyon-Martin Women's Health Services		5,000	5,000		5,000

CDBG PROGRAM SUMMARY OF RECOMMENDATIONS

Program or Recipient	FY 1999-2000 Budget	Proposed FY 2000-2001 Budget	Increase (Decrease) in FY 2000-2001 Budget from FY 1999-2000 Budget	Proposed Reductions	New or Expanded Programs
MOCD - Planning & Capacity Building Pool	284,386	327,967	43,581		
MOH - Planning & Capacity Building Pool	50,000	50,000			
MOCD/MOH Consolidated Planning Pool	201,474	96,498	(104,976)		
Sixth Street Merchants & Residents Association	15,000		(15,000)		
South of Market Child Care		15,000	15,000		15,000
Support Service for Non-Profit Management	100,000	100,000			
Index Center - OMH CAO	30,000				
Volunteers Center of SF			(30,000)		
Women in Community Service	20,000	25,000	25,000		25,000
Women's Initiative for Self Employment		21,450	(20,000)		
Young Community Developers		21,450	21,450		21,450
Subtotal Planning and Capacity Building	\$775,360	\$812,415	15,000		15,000
			\$37,055		\$237,950
<b>XII. Program Administration</b>					
Controller (Audit and Indirect Costs)	\$124,015	\$60,000	(\$64,015)		
Controller (Audit and Indirect Costs) MOH		60,000	60,000		
Mayor's Office of Community Development Admin	2,291,132	2,421,582	130,450		
Mayor's Office of Community Development Interprise Community Program	126,962	54,671	(72,291)		
Mayor's Office of Community Development Environmental Review	15,000	15,000			
Mayor's Office of Community Development Homeless	90,420	54,744	(35,676)		
Mayor's Office of Housing Affordable Housing Bonds		129,329	129,329		
Mayor's Office of Housing Admin	1,159,553	1,101,038	(58,515)		
Mayor's Office of Housing Environmental Review	15,000	15,000		3,146	
Mayor's Office of Housing Lead		185,241	185,241		
MOHNS Disability Council	10,000	10,000			
SF City Attorney's Office (MOH)	50,000	25,000	(25,000)		
SF City Attorney's Office (MOH)		25,000	25,000		
SF Human Rights Commission	250,000	260,000	10,000	10,000	
Subtotal Program Administration	\$4,132,082	\$4,416,605	\$284,523	\$13,146	
					\$2,854,827
<b>TOTAL - CDBG PROGRAM</b>	\$25,210,055	\$25,275,000	\$64,945	\$13,146	\$2,854,827

Program or Recipient	FY 1999-2000		Proposed FY		Increase (Decrease) in FY 2000-2001 Budget from FY 1999-2000 Budget	Proposed Reductions	New or Expanded Programs
	Budget		2000- 2001 Budget				
XIV. Program Income							
MOC'D 108 Daycare Repayment			\$250,000	\$250,000	\$250,000		
MOC'D 108 Econ Development Loan Repayment		1,627,985	2,478,275	\$850,290	\$850,290		
MOC'D Capital Projects			1,350,000	\$1,350,000	\$1,350,000		1,350,000
MOC'D Microenterprise Loan Program		250,000	250,000				
MOC'D Small Business Loan Program		750,000	750,000				
MOH/CIRP Revolving Loan Program		1,800,000	240,000				
SFRA Central Relocation Services		384,000	100,000				
SFRA Urban Renewal-Payment of Debt Service for YBC		26,353,000					
SFRA Low Income Housing		5,226,000	1,048,000				
SFRA Economic Development		1,207,000	606,000				
SFRA Child Care-Children's Center at YBC		750,000					
SFRA General Program Administration		2,383,000					
SFRA Planning India Basin			612,000				
SFRA Planning Mid-Market			250,000				
Subtotal: Program Income-Funded SFRA Activities		\$40,730,985	\$8,459,275		\$525,000		\$1,350,000
TOTAL CD&G PROGRAM WITH PROGRAM INCOME-FUNDED ACTIVITIES							
		\$65,941,040	\$33,734,275		(\$32,206,765)	\$13,146	\$4,204,827





City and County of San Francisco  
Meeting Minutes  
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

City Hall  
1 Dr. Carlton B.  
Goodlett Place  
San Francisco, CA  
94102-4689

Wednesday, April 19, 2000

10:00 AM

City Hall, Room 263

Regular Meeting

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

DOCUMENTS DEPT.

Meeting Convened

APR 24 2000

The meeting convened at 10:07 a.m.

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000328 [Public Financing and Disclosure for Campaigns]  
Supervisor Ammiano

Ordinance amending Administrative Code by adding Sections 16.549-1 through 16.549.18 to provide for public financing of election campaigns and to add Sections 16.550.1 through 16.550-10 to provide for increased disclosure of campaign contributions and expenditures.

(Fiscal impact; Adds Sections 16.549-1 through 16.549.18; and Sections 16.550-1 through 16.550.10.)

2/18/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

4/5/00, AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Supervisor Ammiano; Harvey Rose, Budget Analyst; Supervisor Yee; Ginny Vida, Executive Director, Ethics Commission; Naomi Starkman, Ethics Commission; Claire Sylvia, Deputy City Attorney; Paul Melbostad, Ethics Commission. In Support: Jim Knox, California Common Cause (CCC); Rebecca Silverberg, Coalition for S. F. Neighborhoods (CSFN); Steven Currier; Marie Harrison; Bud Wilson, Greater West Portal; Joan Girardot, President, CSFN; Bill Rangfield, CCC; Joan Kingery, CCC. Amendment of the Whole continued to April 12, 2000.

4/5/00, CONTINUED AS AMENDED.

4/12/00, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Ammiano; Ginny Vida, Executive Director, Ethics Commission; Supervisor Bierman. Continued to April 19, 2000. See Files 999685 and 000687 prepared in committee as ordinances.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Ammiano. Amended to delete Section 16.550-7; new title.

AMENDED.

Ordinance amending Administrative Code by adding Sections 16.549-1 through 16.549.18 to provide for public financing of election campaigns and to add Sections 16.550.1 through 16.550-6; 16.550-8 through 16.550-10, to provide for increased disclosure of campaign contributions and expenditures.

(Fiscal impact; Adds Sections 16.549-1 through 16.549.18; and Sections 16.550-1 through 16.550-6; 16.550-8 through 16.550.10.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano



**000685 [Public Financing of Election Campaigns]****Supervisor Ammiano**

Ordinance amending the San Francisco Administrative Code to add Sections 16.549-1 through 16.549-18 to provide for public financing of election campaigns.

(Fiscal Impact; Adds Section 16.549-1 through 16.549-18)

4/12/00, PREPARED IN COMMITTEE AS AN ORDINANCE: Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Supervisor Ammiano; Ginny Vida, Executive Director, Ethics Commission, Supervisor Bierman. See File 000328.

4/12/00, CONTINUED. Continued to April 19, 2000.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Supervisor Ammiano.*

**RECOMMENDED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**000687 [Public Matching Funds and Disclosure of Campaigns]****Supervisor Ammiano**

Ordinance amending the San Francisco Administrative Code to add Sections 16.549-1 through 16.549-18 to provide for public matching funds to candidates for local office who are targeted by large independent expenditure campaigns and to add Sections 16.550.1 through 16.550-10 to provide for increased disclosure of campaign contributions and expenditures.

(Fiscal Impact; Adds Section 16.549-1 through 16.549-18 and adds Section 16.550.1 through 16.550-10)

4/12/00, PREPARED IN COMMITTEE AS AN ORDINANCE: Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Supervisor Ammiano; Ginny Vida, Executive Director, Ethics Commission, Supervisor Bierman. See File 000328.

4/12/00, CONTINUED. Continued to April 19, 2000.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Supervisor Ammiano. Amended to delete Section 16.550-7; new title.*

**AMENDED.**

Ordinance amending the San Francisco Administrative Code to add Sections 16.549-1 through 16.549-18 to provide for public matching funds to candidates for local office who are targeted by large independent expenditure campaigns and to add Sections 16.550.1 through 16.550-6; 16.550-8 through 16.550-10, to provide for increased disclosure of campaign contributions and expenditures.

(Fiscal Impact; Adds Section 16.549-1 through 16.549-18 and adds Section 16.550.1 through 16.550-6; 16.550-8 through 16.550-10)

**RECOMMENDED AS AMENDED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**000486 [Grant - Emergency Shelter Grant Program]  
Mayor**

Resolution approving the 2000 Emergency Shelter Grants Program and Expenditure Schedule and authorizing the Mayor on behalf of the City and County of San Francisco to apply for, accept, and expend a \$890,000 entitlement under the Emergency Shelter Grants Program from the U.S. Department of Housing and Urban Development.

3/20/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

4/12/00, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Pam David, Director, Mayor's Office of Community Development; Daryl Higashi, Deputy Director, Mayor's Office of Housing; Supervisor Yee; Supervisor Ammiano; David Pearson, Head Start; Dr. Norma Tecson, Filipino American Council; Janelle Pierce, Rosa Park Senior Center; Helen Davenport; Father Louis Vitale, St. Boniface Neighborhood Center; Janet Gomes, S. F. Conservation Corp.; Donna Bennett, Milestone; Miguel Wooding, Eviction Collaborative; Devra Edelman, Haight Ashbury Food Program; Maurice, Bernal Heights Neighborhood Center; LaDawn Law, SFUSD, Child Development Program; Tami Rice-Mitchell, Charles Drew Center; Aurora Marimack; Betty H.; Lisa Gray, Young Community Developers; Clarence Shaw, Housing Conservation and Development Corp.; Barbara Brown; Homer Marshall; Carlos Romero, Mission Housing; Grant Din, Asian Neighborhood Design; Teresa Vergel; Dominado Purugganan, World War II Veteran; Colleen Cassity, Juma Ventures; Gary K.; Gay Kaplan; Marian Doo, Women for Self Employment; Donna Feingold; Edmund Tong, Asian, Inc.; Mr. Young; Claudia Vieck, Renaissance Entrepreneur Center. Continued to April 19, 2000.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Pam David, Director, Mayor's Office of Community Development; Jerry Levine, Vice Chair, Citizen's Committee on Community Development; Ed Tong, Asian Inc.; Enola Maxwell, Potrero Hill Neighborhood House; Supervisor Bierman; Devra Edelman, Haight Ashbury Food Program; Helen Helfer, Hospitality House; Linda Robertson, S.F. League of Urban Gardeners; Ben, Dorothy Day Community Center; Monique Martin, Director, Ingleside Community Center; Janet Gomes, S.F. Conservation Corp.; Julie Cavanaugh, Visitacion Valley Community Center; Orville Lester, Youth for Service; Lefty Gordon, Ella Hill Hutch Center; Wanda Barnes, Walden House; Luis Flores; Supervisor Yee.*

**AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.**

Resolution approving the 2000 Emergency Shelter Grants Program and Expenditure Schedule and authorizing the Mayor on behalf of the City and County of San Francisco to apply for, accept, and expend a \$890,000 entitlement under the Emergency Shelter Grants Program from the U.S. Department of Housing and Urban Development; placing \$113,700 on reserve.

**RECOMMENDED AS AMENDED by the following vote:**

Ayes: 2 - Yee, Bierman

Absent: 1 - Ammiano

**000487 [Grant - HOME Program]****Mayor**

Resolution authorizing the Mayor of the City and County of San Francisco to apply for, accept and administer a grant from the U.S. Department of Housing and Urban Development for a total amount not to exceed \$7,115,000 for the HOME Program authorized under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, and approving the HOME program description as described in the 2000 action plan for San Francisco's consolidated plan. Indirect costs associated with the acceptance of these grant funds will be paid by Community Development Block Grant funds.

3/20/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

4/12/00, CONTINUED Heard in Committee Speakers Harvey Rose, Budget Analyst, Pam David, Director, Mayor's Office of Community Development; Daryl Higashi, Deputy Director, Mayor's Office of Housing, Supervisor Yee, Supervisor Ammiano, David Pearson, Head Start, Dr. Norma Tecson, Filipino American Council, Janelle Pierce, Rosa Park Senior Center, Helen Davenport, Father Louis Vitale, St. Boniface Neighborhood Center, Janet Gomes, S.F. Conservation Corp., Donna Bennett, Milestone Miguel Wooding, Eviction Collaborative, Devra Edelman, Haight Ashbury Food Program, Maurice, Bernal Heights Neighborhood Center, Laldawn Law, SFUSD, Child Development Program, Tami Rice-Mitchell, Charles Drew Center, Aurora Marimack, Betty H., Lisa Gray, Young Community Developers, Clarence Shaw, Housing Conservation and Development Corp., Barbara Brown, Homer Marshall, Carlos Romero, Mission Housing, Grant Din, Asian Neighborhood Design, Teresa Vergel, Dominado Purugganan, World War II Veteran, Colleen Cassity, Juma Ventures, Gary K., Gay Kaplan, Marian Doub, Women for Self Employment, Donna Feingold, Edmund Tong, Asian, Inc.; Mr. Young, Claudia Vick, Renaissance Entrepreneur Center Continued to April 19, 2000.

*Heard in Committee. Speakers Harvey Rose, Budget Analyst, Pam David, Director, Mayor's Office of Community Development; Jerry Levine, Vice Chair, Citizen's Committee on Community Development, Ed Tong, Asian Inc.; Enola Maxwell, Potrero Hill Neighborhood House, Supervisor Bierman, Devra Edelman, Haight Ashbury Food Program; Helen Helfer, Hospitality House, Linda Robertson, S.F. League of Urban Gardeners; Ben, Dorothy Day Community Center, Monique Martin, Director, Ingleside Community Center, Janet Gomes, S.F. Conservation Corp., Julie Cavanaugh, Visitation Valley Community Center, Orville Lester, Youth for Service; Lefty Gordon, Ella Hill Hutch Center, Wanda Barnes, Walden House; Luis Flores; Supervisor Yee.*

**RECOMMENDED by the following vote:**

Ayes: 2 - Yee, Bierman

Absent: 1 - Ammiano

000488 [Grant - 2000 CDBG]

**Mayor**

Resolution approving the 2000 Community Development Program authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's 2000 Community Development Block Grant (CDBG) Entitlement from the U.S. Department of Housing and Urban Development, and program income generated by the San Francisco Redevelopment Agency up to \$33,734,275 which include indirect costs of \$160,000; and approving expenditure schedules for recipient departments and agencies for indirect costs.

3/20/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

4/12/00, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Pam David, Director, Mayor's Office of Community Development; Daryl Higashi, Deputy Director, Mayor's Office of Housing; Supervisor Yee; Supervisor Ammiano; David Pearson, Head Start; Dr. Norma Tecson, Filipino American Council; Janelle Pierce, Rosa Park Senior Center; Helen Davenport; Father Louis Vitale, St. Boniface Neighborhood Center; Janet Gomes, S. F. Conservation Corp.; Donna Bennett, Milestone; Miguel Wooding, Eviction Collaborative; Devra Edelman, Haight Ashbury Food Program; Maurice, Bernal Heights Neighborhood Center; LaDawn Law, SFUSD, Child Development Program. Tami Rice-Mitchell, Charles Drew Center; Aurora Marimack; Betty H.; Lisa Gray, Young Community Developers; Clarence Shaw, Housing Conservation and Development Corp.; Barbara Brown; Homer Marshall; Carlos Romero, Mission Housing; Grant Din, Asian Neighborhood Design, Teresa Vergel; Dominado Purugganan, World War 11 Veteran; Colleen Cassity, Juma Ventures; Gary K.; Gay Kaplan; Marian Doub, Women for Self Employment; Donna Feingold; Edmund Tong, Asian, Inc.; Mr. Young; Claudia Viek, Renaissance Entrepreneur Center. Continued to April 19, 2000.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Pam David, Director, Mayor's Office of Community Development; Jerry Levine, Vice Chair, Citizen's Committee on Community Development; Ed Tong, Asian Inc.; Enola Maxwell, Potrero Hill Neighborhood House; Supervisor Bierman; Devra Edelman, Haight Ashbury Food Program; Helen Helfer, Hospitality House; Linda Robertson, S.F. League of Urban Gardeners; Ben, Dorothy Day Community Center; Monique Martin, Director, Ingleside Community Center; Janet Gomes, S.F. Conservation Corp.; Julie Cavanaugh, Visitacion Valley Community Center; Orville Lester, Youth for Service; Lefty Gordon, Ella Hill Hutch Center; Wanda Barnes, Walden House; Luis Flores; Supervisor Yee.*

**AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.**

Resolution approving the 2000 Community Development Program authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's 2000 Community Development Block Grant (CDBG) Entitlement from the U.S. Department of Housing and Urban Development, and program income generated by the San Francisco Redevelopment Agency up to \$33,734,275 which include indirect costs of \$160,000; and approving expenditure schedules for recipient departments and agencies for indirect costs; placing \$533,581 on reserve.

**RECOMMENDED AS AMENDED by the following vote:**

Ayes: 2 - Yee, Bierman

Absent: 1 - Ammiano

**000424 [Food Service - Application and Permit Fees]**

Ordinance amending Part III of the San Francisco Municipal Code (Business and Tax Regulation Code) by amending Section 249.11 to revise permit fees for temporary food operations at special events; amending Part II of the San Francisco Municipal Code (Traffic Code) by amending Section 806 to revise Department of Public Health permit fees for food operations at street fairs; amending Part II of the Municipal Code (Health Code) by amending Sections 451 and 452, to reorganize the section on applying for permits to operate a food establishment, modify the definition of "special events," change the deadline for applications for temporary food permits for special events; and impose an extra fee for late applications for temporary permits. (Public Health Department)

(Amends Business and Tax Regulation Code Section 249.11; amends Traffic Code Section 806; amends Health Code Sections 451 and 452.)

3/8/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

4/5/00, CONTINUED Continued to April 19, 2000

*Heard in Committee. Speakers: Jack Breslin, Department of Public Health, Edward Evans, Tenderloin Housing.*

**RECOMMENDED** by the following vote:

Ayes: 2 - Yee, Bierman

Absent: 1 - Ammiano

**000565 [Fixing compensation for unrepresented employees, fiscal year 2000-2001.]**

Ordinance fixing compensation for persons employed by the City and County of San Francisco whose compensations are subject to the provisions of Section A8 409 of the Charter, in classes not represented by an employee organization and establishing working schedules and conditions of employment and methods of payment, effective July 1, 2000. (Human Resources Department)

(Fiscal impact.)

3/29/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

4/7/00, SUBSTITUTED. Substituted by Department of Human Resources bearing same title, 4/7/00

4/7/00, ASSIGNED to Finance and Labor Committee

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Alice Villagomez, Employee Relations, Department of Human Resources*

**RECOMMENDED** by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

**000524 [Authorizing expenditure of funds estimated at \$4,210,000 for emergency repair of San Joaquin Pipeline No. 3]**

Resolution authorizing expenditure of funds for emergency repair of corrosion in San Joaquin Pipeline No. 3 of the Hetch Hetchy Aqueduct. (Public Utilities Commission)

(Fiscal impact.)

3/22/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Continued to April 26, 2000.*

**CONTINUED** by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano



**000568 [Lease of PUC land to Koret Foundation at an annual rental of \$13,211.00]**

Resolution authorizing a 20-year lease of Public Utilities Commission land between the City and County of San Francisco and Koret Foundation, in San Mateo County. (Public Utilities Commission)

3/29/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Gary Dowd, Public Utilities Commission.*

**RECOMMENDED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**000484 [Lease - Hotel Le Nain]****Supervisor Newsom**

Resolution authorizing and approving the master lease by and between the City and County of San Francisco, for the Department of Public Health, as tenant and Hotel Le Nain, LLC, as landlord, for the "Hotel Le Nain" located at 730 Eddy Street.

3/20/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Anne Kronenberg, Department of Public Health; Supervisor Ammiano; Supervisor Yee; Edward Evans.*

**RECOMMENDED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**000576 [Appropriating funds for landscape improvements to the Mid-Embarcadero Music Concourse located south of Justin Herman Plaza]****Supervisors Newsom, Bierman**

Ordinance appropriating \$984,850 of the Neighborhood Development Special Revenue Fund balance to fund the proposed Mid-Embarcadero Music Concourse, for the Department of Recreation and Park for fiscal year 1999-2000.

(Fiscal impact.)

4/3/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Deborah Learner, Recreation and Park Department. Amended to change name of Fund to "Downtown Park Fund"; place \$309,000 on reserve and reduce appropriation to \$981,553.*

**AMENDED.**

Ordinance appropriating \$981,553 of the Downtown Park Fund balance to fund the proposed Mid-Embarcadero Music Concourse, for the Department of Recreation and Park for fiscal year 1999-2000; placing \$309,000 on reserve.

(Fiscal impact.)

**RECOMMENDED AS AMENDED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano



**000186 [Annual Joint Fundraising Drive]**

Hearing to consider applications from various agencies to participate in the 2000 Joint Annual Fundraising Drive. (Finance and Labor Committee)

1/31/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

- 1/31/00 - From Community Health Charities
- 2/04/00 - From Mayor's Homeless Fund
- 2/08/00 - From Earth Share of California
- 2/22/00 - From Bay Area Black United Fund, Inc
- 2/22/00 - From United Way of the Bay Area and Affiliate
- 2/23/00 - From Local Independent Charities
- 3/01/00 - From International Service Agencies
- 3/13/00 - From Private Industry Council
- 3/16/00 - From San Francisco Youth Fund

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Jill Lerner, Department of Administrative Services; Supervisor Yee, Erin McGrath, Mayor's Budget Office; Cedric Yap, Department of Children, Youth and Families; Brenda Brown, Private Industry Council; Everett Brandon, Chair, 2000 Joint Annual Fundraising Drive.*

**PREPARED IN COMMITTEE AS A RESOLUTION:**

Resolution designating those agencies qualified to participate in the 2000 Annual Joint Fundraising Drive for officers and employees of the City and County of San Francisco. (Finance and Labor Committee)

**RECOMMENDED by the following vote:**

Ayes: 3 - Yee, Bierman, Ammiano

**ADJOURNMENT**

*The meeting adjourned at 11:42 a.m*

0 254

19/00

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CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

### BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

April 13, 2000

TO: Finance and Labor Committee

FROM: Budget Analyst

DOCUMENTS DEPT.

SUBJECT: April 19, 2000 Finance and Labor Committee Meeting

APR 18 2000

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Items 1, 2, and 3 - Files 00-0328, 00-0685, and 00-0687

Note: Item 1, File 00-0328, was continued by the Finance and Labor Committee at its meeting of April 12, 2000.

Department: Ethics Commission

Item: Item 1 - File 00-0328

Ordinance amending the San Francisco Administrative Code to add Article XIIE, Sections 16.549-1 through 16.549-18, to provide for public financing of election campaigns, and to add Article XIIF, Sections 16.550-1 through 16.550-10, to provide for increased disclosure of campaign contributions and expenditures.

*File 00-0328 is referred to in this report and in the attached memorandum from the Ethics Commission as the "Amendment of the Whole" ordinance.*

Item 2 - File 00-0685

Ordinance amending the San Francisco Administrative Code to add Article XIIE, Sections 16.549-1 through 16.549-18, to provide for public financing of election campaigns.

*File 00-0685 is referred to in this report and in the attached memorandum as the "Ethics Commission Proposal" ordinance.*

Item 3 - File 00-0687

Ordinance amending the San Francisco Administrative Code to add Article XIIE, Sections 16.549-1 through 16.549-18, to provide for public matching funds to candidates for local office who are targeted by large independent expenditure campaigns, and to add Article XIIF, Sections 16.550-1 through 16.550-10, to provide for increased disclosure of campaign contributions and expenditures.

*File 00-0687 is referred to in this report and in the attached memorandum as the "Public Matching Funds for Independent Expenditures" ordinance.*

**Description:**

The three proposed ordinances would provide varying levels of public funds from a newly established Election Campaign Fund to partially defray the election campaign costs of eligible candidates for the Board of Supervisors. Additional public funds would be available to qualifying candidates who must also contest a run-off election.

**Comments:**

1. The Attachment, provided by Ms. Naomi Starkman of the Ethics Commission, compares the three proposed ordinances in terms of:

- their legislative provisions (Parts A through D);
- the projected costs to the Election Campaign Fund of the three proposed public financing programs (Part E); and
- the costs to the Ethics Commission of administering each of the proposed ordinances (Part F).

2. Part E of the Attachment compares the projected costs to the Election Campaign Fund for each of the three proposed public financing programs:

- (a) Under the "Ethics Commission Proposal" ordinance (File 00-0685), the total estimated program costs for the November 2000 General Election would be between \$1,007,000 and \$2,728,000.

- (b) Under the "Amendment of the Whole" ordinance (File 00-0328), the total estimated program costs for the November 2000 General Election would be between \$845,000 and \$2,090,000 if voluntary expenditure ceilings in the supervisorial districts are not lifted (see Comment No. 4 below). This range of costs is lower than the estimated range for the "Ethics Commission Proposal" ordinance of \$1,007,000 and \$2,728,000 (File 00-0685). However, if voluntary expenditure ceilings are lifted, the costs could be considerably different.
- (c) Under the "Public Matching Funds for Independent Expenditures" ordinance (File 00-0687), the total estimated program costs for the November 2000 General Election would be between \$432,500 and \$1,045,000 if voluntary expenditure ceilings in the supervisorial districts are not lifted. This range of costs is lower than the estimated ranges for either of the other two proposed ordinances. However, if voluntary expenditure ceilings are lifted, the costs could be different. However, the potential increase in costs would be less than under the "Amendment of the Whole" ordinance (File 00-0328) due to the more limited conditions under which the voluntary expenditure ceilings can be lifted and the lower maximum public funding levels available (see Comment No. 4 below).

3. All three proposed ordinances would incur additional costs for the Ethics Commission to administer a public financing program. As explained in Part F of the Attachment:

- the "Ethics Commission Proposal" ordinance (File 00-0685) would incur additional administration costs of approximately \$137,000; and
- the other two proposed ordinances would incur additional administration costs of approximately \$177,000.

According to Ms. Ginny Vida of the Ethics Commission, the Ethics Commission has not included in its FY 2000-

2001 budget request any additional funding for the new Ethics Commission functions related to the proposed public financing program. Ms. Vida states that if one of the proposed ordinances is approved, then the Ethics Commission would request additional FY 2000-2001 funding through a supplemental appropriation.

4. Article XIIE, Section 16.549-9 of both the "Amendment of the Whole" ordinance (File 00-0328) and the "Public Matching Funds for Independent Expenditures" ordinance (File 00-0687) provides for the lifting of the voluntary expenditure ceilings in the supervisorial districts.

Under the "Amendment of the Whole" ordinance (File 00-0328), the voluntary expenditure ceiling can be lifted under two conditions. First, the voluntary expenditure ceiling can be lifted if a candidate who is not participating in the public financing program receives contributions, has cash on hand, or makes campaign expenditures in excess of the applicable voluntary expenditure ceiling of \$75,000 for a general election and \$20,000 for a run-off election. Second, the voluntary expenditure ceiling can be lifted if independent expenditures are made against any candidate participating in the public financing program, or in support of any opposing candidate running in the same supervisorial district, and such independent expenditures exceed in the aggregate 25 percent of the applicable voluntary expenditure ceiling. If the voluntary expenditure ceiling is lifted in a supervisorial district for either of the above reasons, a candidate participating in the public financing program would be entitled to receive up to an additional \$75,000 for a general election and up to an additional \$40,000 for a run-off election.

Under the "Public Matching Funds for Independent Expenditures" ordinance (File 00-0687), additional public funds are made available to candidates only if independent expenditures are made against a candidate participating in the public financing program, or are made in support of an opposing candidate running in the same supervisorial district, and those expenditures exceed in the aggregate 25 percent of the spending limit, then the voluntary expenditure ceiling can be lifted. If the

Memo to the Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

voluntary expenditure ceiling is lifted in a supervisorial district for that reason, a candidate participating in the public financing program would be entitled to receive up to an additional \$37,500 for a general election, and up to an additional \$20,000 for a run-off election.

5. According to Ms. Julia Moll of the City Attorney's Office, the three proposed ordinances would provide authority for the Mayor and the Board of Supervisors to appropriate sufficient monies to (a) an Election Campaign Fund established under the approved ordinance to partially defray the election campaign costs of all eligible candidates, and to (b) the Ethics Commission for administrative costs related to the public financing program. However, according to Ms. Moll, such appropriations could only be required by a voter-approved Charter amendment. Ms. Moll states that this is because only voter-approved Charter amendments, rather than ordinances, can limit the discretion of the Board of Supervisors and the Mayor regarding annual appropriations. Ms. Moll states that if the Mayor and the Board of Supervisors do not appropriate sufficient funds, the public financing program would not provide any funds to eligible candidates.

**Recommendation:** Approval of the proposed alternative ordinances is a policy matter for the Board of Supervisors.



San Francisco  
Ethics Commission



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Finance Committee Meeting  
April 19, 2000

Public Financing of Election Campaigns  
Comparison of Ethics Commission Proposal with Amendment of the Whole  
and with Public Matching Funds for Independent Expenditures

A. Eligibility Requirements

ETHICS COMMISSION PROPOSAL	AMENDMENT OF THE WHOLE	PUBLIC MATCHING FUNDS FOR INDEPENDENT EXPENDITURES
Seek election to the Board of Supervisors and be eligible to hold the office sought.	Same.	Same
Receive at least \$5,000 in "qualifying contributions" between \$10 and \$100 each from at least 50 individual (non-corporate) contributors who are San Francisco residents.	Receive at least \$5,000 in "qualifying contributions" of \$100 or less from individual (non-corporate) contributors who are San Francisco residents.	Same as Amendment of the Whole
Be opposed by another candidate who is eligible to receive public financing, or has received contributions or made expenditures which equal or exceed \$5,000.	Be opposed by another candidate who is eligible to receive public financing, or has received contributions or made expenditures which equal or exceed \$10,000.	
Agree to limit personal spending and loans to \$10,000 per election.	Agree to limit personal spending and loans to \$10,000 per election <i>(but this requirement does not apply if the voluntary spending limits are lifted)</i> .	Same as Amendment of the Whole.
Agree to limit campaign spending to \$75,000 for the general election and \$20,000 for the run-off election, if one is required.	Same.	Same
Agree to participate in at least one debate.	Same.	Same.

**B. Disbursement of Public Funds in General Election**

ETHICS COMMISSION PROPOSAL	AMENDMENT OF THE WHOLE	PUBLIC MATCHING FUNDS FOR INDEPENDENT EXPENDITURES
The maximum amount of public funds a candidate would receive in the general election is \$45,000.	The maximum amount of public funds a candidate would receive in the general election is <i>\$37,500</i> . (Additional public funding would be provided if the spending limits are lifted. See Item D below.)	See Item D below.
Upon certification of eligibility, the candidate would receive a payment of \$5,000 from the Fund. Thereafter, candidates would receive \$4 from the Fund for every \$1 of matching contributions raised by the candidate, up to an additional \$20,000. Thereafter, candidates would receive \$1 from the Fund for every \$1 of matching contributions raised by the candidate, up to an additional \$20,000 in public funds.	Upon certification of eligibility, the candidate would receive \$2 from the Fund for every \$1 in matching contributions raised by the candidate. <i>Until 15 days before the election, a candidate may submit a request for public funds each time the candidate raises \$5,000 in matching contributions. Within 15 days before the election, a candidate may submit a request for public funds every time the candidate raises \$1,000 in matching contributions.</i>	Funds only disbursed if the voluntary spending limits are lifted due to independent expenditures. (See Item D below.)

**C. Disbursement of Public Funds in Run-Off Election**

ETHICS COMMISSION PROPOSAL	AMENDMENT OF THE WHOLE	PUBLIC MATCHING FUNDS FOR INDEPENDENT EXPENDITURES
The maximum amount of public funds a candidate would receive for the run-off election is \$17,000.	The maximum amount of public funds a candidate would receive for the run-off election is <i>\$20,000</i> . (Additional public funding would be provided if the spending limits are lifted. See Item D below.)	Same as Amendment of the Whole.
Each candidate who qualifies for a run-off election would receive a payment of \$5,000 from the Fund. Thereafter, each candidate would receive \$4 from the Fund for every \$1 of matching contributions raised by the candidate, up to an additional \$12,000 in public funds.	Each candidate who qualifies for a run-off election would receive a payment of <i>\$20,000</i> within three days following the general election.	Funds only disbursed if the voluntary spending limits are lifted due to independent expenditures. (See Item D below. below )

D. Disbursement of Public Funds if the Spending Limits Are Lifted

ETHICS COMMISSION PROPOSAL	AMENDMENT OF THE WHOLE	PUBLIC MATCHING FUNDS FOR INDEPENDENT EXPENDITURES
<p>The Ethics Commission's proposal does not provide for a lifting of the voluntary spending limits or additional public funds in the case of a high-spending opponent.</p>	<p>If a nonparticipating candidate receives contributions, has cash on hand or makes qualified campaign expenditures in excess of the voluntary spending limit, the spending limit is lifted and the participating candidate is entitled to receive \$1 in public funds for every \$1 in private funds raised or spent by the nonparticipating candidate in excess of the spending limit. The maximum amount to be awarded under these circumstances in the general election may not exceed \$75,000 per candidate. The maximum amount to be awarded under these circumstances in the run-off election is \$40,000 per candidate.</p>	<p>This proposal does not provide additional public matching funds if the voluntary spending limits are lifted due to financial activity of a nonparticipating candidate.</p>
<p>The Ethics Commission's proposal does not provide for a lifting of the voluntary spending limits or additional public funds in the case of independent expenditures.</p>	<p>If independent expenditures against any participating candidate, or in support of any opposing candidate running in the same supervisorial district, exceed in the aggregate 25% of the spending limit, the spending limit is lifted and any targeted participating candidate is entitled to \$1 in public funds for every \$1 in independent expenditure above 25% of the spending limit. The maximum amount to be awarded under these circumstances in the general election may not exceed \$75,000 per candidate. The maximum amount to be awarded under these circumstances in the run-off election is \$40,000 per candidate.</p>	<p>If independent expenditures against any participating candidate, or in support of any opposing candidate running in the same supervisorial district, exceed in the aggregate 25% of the spending limit, the spending limit is lifted and any targeted participating candidate is entitled to \$1 in public funds for every \$1 in independent expenditure above 25% of the spending limit. The maximum amount to be awarded under these circumstances in the general election may not exceed \$37,500 per candidate. The maximum amount to be awarded under these circumstances in the run-off election is \$20,000 per candidate.</p>

**E. Projected Election Campaign Fund Budget**

ETHICS COMMISSION PROPOSAL <sup>1</sup>		AMENDMENT OF THE WHOLE <sup>2</sup> <i>Please see footnote 2 below for more information about the cost of this program re: lifting of the voluntary spending limits.</i>		PUBLIC MATCHING FUNDS FOR INDEPENDENT EXPENDITURES <sup>3</sup>	
Year	Range of Costs	Year	Range of Costs	Year	Range of Costs
2000	\$1,007,000 - \$2,728,000	2000	\$845,000 - \$2,090,000	2000	\$432,500 - \$1,045,000
2002	\$467,000 - \$1,240,000	2002	\$395,000 - \$950,000	2002	\$207,500 - \$475,000
2004	\$557,000 - \$1,488,000	2004	\$470,000 - \$1,140,000	2004	\$245,000 - \$570,000

<sup>1</sup>In the 2000 general election, all 11 Board seats will be vacant. After the 2000 general election, the clerk of the Board will determine by lot whether the supervisors elected from the even or odd-numbered districts will have terms expiring in two or four years. Accordingly, there will be either 5 or 6 vacant seats in 2002 and 2004. For purposes of these estimates, it is assumed that there will be 5 vacant seats in the 2002 general election and 6 vacant seats in the 2004 general election. Commission staff developed assumptions as to how many candidates will participate in the program in the next three general elections: 1) between 2 and 4 candidates per district will receive public financing in the general election; and 2) between 1 and 2 candidates per district will receive public financing in the run-off election.

<sup>2</sup>The Commission based the cost estimates of the Amendment of the Whole on the above-described assumptions. The projected Fund budget for the Amendment of the Whole does not reflect additional public funds which could be disbursed if the voluntary spending limits are lifted. These costs could vary dramatically and are difficult to determine. However, if in the 2000 election, an average of 1 candidate per district qualifies for full funding in both the general and run-off elections to offset independent spending or high spending by an opponent, it could cost the City an additional total of \$1,265,000 for all 11 districts.

<sup>3</sup>Because the threshold to qualify for public funds in this proposal is quite high (\$15,000), Commission staff estimate that fewer candidates will qualify for additional public funds. For this reason, staff determined between 1 and 2 candidates per district will receive public financing in the general election and 1 candidate per district will receive public financing in the run-off election. For purposes of these estimates, it is assumed that there will be 5 vacant seats in the 2002 general election and 6 vacant seats in the 2004 general election.

**F. Projected Administrative Costs to the Ethics Commission**

ETHICS COMMISSION PROPOSAL		AMENDMENT OF THE WHOLE <sup>4</sup>		PUBLIC MATCHING FUNDS FOR INDEPENDENT EXPENDITURES	
Item	Amount	Item	Amount	Item	Amount
Salaries of 2 FT professional employees	\$100,000	Salaries of 3 FT professional employees	\$135,000	Salaries of 3 FT professional employees	\$135,000
Salary of 1 FT clerical employee @ 6 months	\$17,000	Salary of 1 FT clerical employee @ 6 months	\$17,000	Salary of 1 FT clerical employee @ 6 months	\$17,000
Non-personnel costs	\$20,000	Non-personnel costs	\$25,000	Non-personnel costs	\$25,000
<b>Total</b>	<b>\$137,000</b>	<b>Total</b>	<b>\$177,000</b>	<b>Total</b>	<b>\$177,000</b>

<sup>4</sup> These costs will be increased due to additional mandates proposed by the Amendment to the Whole

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

Item 4 - File 00-0486

**Note:** This item was continued by the Finance and Labor Committee at its meeting of April 12, 2000.

**Department:** Mayor's Office of Community Development (MOCD)

**Item:** Resolution approving the FY 2000-2001 Emergency Shelter Grants Program and expenditure schedule and authorizing the Mayor, on behalf of the City and County of San Francisco, to apply for, accept, and expend a \$890,000 entitlement under the Emergency Shelter Grants Program from the Federal Department of Housing and Urban Development.

**Amount:** \$890,000

**Source of Funds:** Federal Department of Housing and Urban Development (HUD)

**Grant Period:** July 1, 2000 through June 30, 2001

**Description:** The HUD Emergency Shelter Grants Program was first established under the Stewart B. McKinney Homeless Assistance Act in July of 1987. The program is designed to assist in (a) improving the quality of existing emergency shelters for the homeless, (b) making available additional emergency shelters, and (c) meeting the costs of operating emergency shelters. The goal of the program is to provide certain essential social services to homeless individuals so that those persons have access to the support services needed to improve their situations.

The Mayor's Office of Community Development (MOCD) is responsible for administering and monitoring the Emergency Shelter Grants Program (ESGP). Funds from the ESGP are budgeted under five categories, three program categories (Essential and Social Services, Maintenance and Operating Expenses, and Homeless Prevention Services) and two other categories (MOCD Administration and an Emergency Shelter Grants Pool). MOCD proposes to allocate grant funds in the amount of \$890,000 from the FY 2000-2001 ESGP grant (which is \$1,000 less than the 1999 ESGP allocation of \$891,000) to 14 projects in the three program categories noted above, to administrative costs, and to the Emergency Shelter Grants Pool.

Approval of the proposed resolution would (a) authorize the MOCD to accept and expend the FY 2000-2001 Emergency Shelter Grant and (b) approve the FY 2000-2001 Emergency Shelter Grants Program and expenditure schedule.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance and Labor Committee  
 April 19, 2000 Finance and Labor Committee Meeting

**Budget:** The proposed summary budget for the ESGP allocation of \$890,000 is as follows:

<u>Program</u>	<u>FY 1999- 2000 Budget</u>	<u>Proposed FY 2000- 2001 Budget</u>	<u>Increase/ (Decrease) from FY 1999-2000 Budget</u>
American Red Cross	\$68,000	\$68,000	\$ -
Asian Women's Shelter	56,000	56,000	-
Catholic Charities	25,000	25,000	-
Compass Community Services	50,000	50,000	-
Dolores Street Community Services	41,000	48,000	7,000
Episcopal Community Services	40,000	40,000	-
Friendship House Association	36,900	36,900	-
Hamilton Family Center, Inc.	43,000	50,000	7,000
La Casa de las Madres	77,300	77,300	-
Larkin Street Youth Center	54,000	54,000	-
Metropolitan Community Foundation	0	47,000	47,000
St. Vincent de Paul Society	20,000	20,000	-
Swords to Plowshares	38,600	38,600	-
United Council of Human Services	96,000	96,000	-
Emergency Shelter Pool	120,350	138,700	18,350
MOCD Administration (5%)	44,500	44,500	-
Programs Not Funded in FY 2000-2001	80,350	-	(80,350)
<b>Total</b>	<b>\$891,000</b>	<b>\$890,000</b>	<b>(\$1,000)</b>

The Attachment, provided by MOCD, contains the ESGP FY 1999-2000 budget and FY 2000-2001 proposed budget, and a list, including descriptions, of the above programs. Of the programs noted above, one program is new and 3 have increased funding from the FY 1999-2000 ESGP budget, for a total of increased funding of \$79,350. Additionally, programs funded in FY 1999-2000, totaling \$80,350, were not funded in FY 2000-2001. The total ESGP allocation in FY 2000-2001 of \$890,000 is \$1,000 less than the FY 1999-2000 allocation of \$891,000.

The Budget Analyst has reviewed budgets for four programs with increased funding. (Hamilton Family Center, Dolores Street Community Services, the Metropolitan Community Foundation, and the Emergency Shelter Pool). These programs are discussed below.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

Hamilton Family Center, Inc.

\$50,000

The proposed budget of \$50,000 for Hamilton Family Center, Inc. is \$7,000 or 16.3 percent more than the FY 1999-2000 allocation of \$43,000. According to Mr. Jon Pon, the proposed allocation would be used for rent at 1525 Waller Street. Mr. Pon states that the rent paid by Hamilton Family Center at 1525 Waller Street is currently \$74,784 annually (9,750 square feet at \$0.64 per square foot per month), and that, on July 1, 2000, the rent will increase to \$80,772, an annual rent increase of \$5,988 or 8 percent

Dolores Street Community Services

\$48,000

According to Mr. Pon, \$48,000 has been allocated to Dolores Street Community Services in FY 2000-2001, which is \$7,000, or 17 percent, more than the FY 1999-2000 allocation of \$41,000. Mr. Pon states that increased funds in the amount of \$7,000 would be used to partially fund the program director and case manager positions in the employment advocacy program for Latino working homeless.<sup>1</sup>

Metropolitan Community Foundation

\$47,000

The Board of Supervisors approved allocation of \$23,416 of Emergency Shelter Pool funds in December of 1999 for the Metropolitan Community Foundation's - Mission High Shower Project for homeless persons (File 99-2144). In FY 2000-2001, MOCD recommends an allocation of \$47,000 to the Metropolitan Community Foundation for the continuation and expansion of Mission High School Shower Project. The Mission High School Shower Project is funded by private and non-City donations and grants, as well as the subject \$47,000 in ESGP monies, for a total budget of \$199,728. The Budget Analyst has reviewed details for the proposed budget and finds them to be reasonable.

Emergency Shelter Pool

\$138,700

MOCD has proposed allocating \$138,700 in ESGP funds to the Emergency Shelter Pool in FY 2000-2001, which is \$18,350 or 15 percent more than the \$120,350 allocated in FY 1999-2000. Mr. Pon states that the increased funds are necessary because the

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<sup>1</sup> The Dolores Street Community Services program's proposed FY 2000-2001 budget has budgeted for 1.0 FTE Case Manager at \$30,000 annually and 1.0 FTE Program Director at \$37,000 annually.

Revised 4/11/2000 – File 00-0486

City anticipates a reduction in other Stewart B. McKinney Homeless Assistance Act funds in FY 2000-2001 compared to FY 1999-2000.<sup>2</sup> The increased funds in the Emergency Shelter Pool would be used to provide emergency homeless shelter services in the winter of 2000-2001. The Budget Analyst recommends placing Emergency Shelter Pool funds in the amount of \$138,700 on reserve, pending submission of a program plan and budget.

**Required Match:** HUD requires one-to-one matching funds, totaling \$890,000, for the ESGP funds. According to Ms. Julie Brenman of DHS, such matching funds have been budgeted in the proposed FY 2000-2001 DHS budget.

**Indirect Costs:** None provided by the ESGP grant.

**Comments:** 1. As noted above, the subject ESGP grant would allocate funds to (a) 14 nonprofit agencies, (b) to administrative costs and (c) to the Emergency Shelter Pool. The Budget Analyst recommends approval of existing programs with the same funding level as the prior year. Approval of programs with increased funding is a policy matter for the Board of Supervisors. Additionally, the Budget Analyst recommends placing \$138,700 allocated to the Emergency Shelter Pool on reserve, pending submission of a program plan and budget details.

2. The MOCD has prepared a Disability Access Checklist, which is on file with the Clerk of the Board.

**Recommendations:** 1. Approve funding in the amount of \$829,000 (\$890,000 less new or increased funding of \$61,000).  
2. Of the \$829,000, reserve \$138,700 for the Emergency Shelter Pool, as noted in Comment No. 1.  
3. Approval of funding in the amount of \$61,000 for expanded programs including a \$7,000 increase for Dolores Street Community Services, a \$7,000 increase for Hamilton Family Center and \$47,000 for the Metropolitan Community Foundation to expand the Mission High School shower project is a policy matter for the Board of Supervisors.

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<sup>2</sup> According to Ms. Julie Brenman of the Department of Human Services (DHS), HUD awarded \$9,000,000 to DHS in Federal McKinney funds in FY 1999-2000. Ms. Brenman states in FY 2000-2001, DHS expects to receive \$6,900,000 in McKinney funds, a \$2,100,000 decrease from FY 1999-2000. Such funds are used to provide supportive and transitional housing and social services to homeless San Franciscans.

Agency	FY99	FY00 RO	FY00 Rec	Change
<b>Emergency Shelter Grant</b>				
American Red Cross Bay Area, SF	68,000	88,000	68,000	0
Asian Women's Shelter	56,000	56,000	56,000	0
Catholic Charities /St. Joseph's Village	25,000	25,750	25,000	0
Compass Community Services	50,000	50,000	50,000	0
Dolores St Community Services/So Van Ness Loc	41,000	48,000	48,000	7,000
Emergency Shelter Pool	120,350		138,700	18,350
Episcopal Community Services of SF	40,000	45,000	40,000	0
Friendship House Association of American Indians, Inc.	36,900	63,950	36,900	0
Hamilton Family Center, Inc	43,000	50,000	50,000	7,000
La Casa de las Madres	77,300	110,000	77,300	0
Larkin Street Youth Center	54,000	65,000	54,000	0
Metropolitan Community Foundation	0	76,700	47,000	47,000
MOCD (5% Admin)	44,550	44,772	44,500	-50
St Vincent DePaul Society	20,000	30,000	20,000	0
Swords to Plowshares	38,600	46,704	38,600	0
United Council of Human Services (The)	96,000	276,000	96,000	0
Central City Hospitality House	10,300	21,700	0	-10,300
Volunteer Legal Services Program/SF Bar Assn	60,000	80,000	0	-60,000
Asian Law Caucus	0	30,000	0	0
Booker T Washington Community Service Center	0	80,000	0	0
Metropolitan Community Foundation	0	110,725	0	0
Tides Center/SF Eviction Defense Collaborative	0	10,000	0	0
Central City Hospitality House (Orlando)	10,000	0	0	-10,000
Salvation Army (Liteboat Lodge)	0	0	0	0
				0
<b>TOTAL EMERGENCY SHELTER</b>	<b>891,000</b>	<b>1,498,564</b>	<b>890,900</b>	<b>-1,000</b>

## Emergency Shelter Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>Proposed Budget</u>
<b>Emergency Shelter Grants</b>		
<i>These projects are directed specifically towards services extended towards homeless individual and families.</i>		
1. American Red Cross (Bay Area) 85 2nd Street	Provide back rent grants to eligible single non-disabled adults to prevent eviction	\$68,000
2. Asian Women's Shelter (Confidential)	Provide shelter and support services to battered women and their children	\$56,000
3. Catholic Charities 814 Mission Street, Mezzanine	Provide security deposits and other assistance to those in danger of eviction.	\$25,000
4. Compass Community Services 111 Taylor Street	Provide emergency shelter to homeless families	\$50,000
5. Dolores Street Community Services 938 Valencia Street	Provide employment development services to homeless immigrant latino men	\$48,000
6. Episcopal Community Services of SF 201 8th Street	Provide shelter services, comprehensive case management and on-site job counseling	\$40,000
7. Friendship House Association of American Indians 80 Julian Avenue	Provide shelter to homeless American Indian adults seeking treatment and counseling for alcohol/substance abuse addictions	\$36,900
8. Hamilton Family Center, Inc 1525 Waller Street	Provide emergency shelter to homeless families	\$50,000

## *Emergency Shelter Grant Program*

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>Proposed Budget</u>
9. La Casa de las Madres (Confidential)	Provide shelter and 24-hour bilingual crisis line, drop-in program, and counseling services to battered women and their children	\$77,200
10. Larkin Street Youth Center 538 Central Avenue	Provide emergency shelter and related services to runaway youth ages 12-17	\$54,000
11. Metropolitan Community Foundation 3750 18th Street	Provide showers and personal hygiene services as part of Mission High School Shower Project to the homeless	\$47,000
12. St. Vincent de Paul Society of SF (Confidential)	Provide emergency shelter for battered women and their children	\$20,000
13. Swords to Plowshares 1063 Market Street	Provide case management assistance to homeless and at-risk veterans to access and protect disability income and medical benefits	\$18,600
14. United Council of Human Services 2111 Jennings Street	Provide services to homeless or at-risk of becoming homeless, including pantry program, food bag program, hot meal program, clothing bank, life skills training, crisis counseling and coordinated referrals	\$96,000
15. Emergency Shelter Pool c/o MOCD	Provide emergency funding for homeless projects throughout the year	\$133,700
16. MOCD/ESG Administration c/o MOCD	Administration of ESG Program	\$44,500
GRAND TOTAL EMERGENCY SHELTER PROGRAM		\$890,000

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

Item 5 - File 00-0487

**Note:** This item was continued by the Finance and Labor Committee at its meeting of April 12, 2000.

**Department:** Mayor's Office of Housing (MOH)

**Item:** Resolution (a) authorizing the Mayor to apply for, accept and administer a grant from the U.S. Department of Housing and Urban Development for a total amount not to exceed \$7,115,000 for the Home Program authorized under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, and (b) approving the Home Program description, as described in the 2000 Action Plan for San Francisco's Consolidated Plan. This resolution states that indirect costs associated with the acceptance of these grant funds will be paid by Community Development Block Grant funds.

**Amount:** Not to exceed \$7,115,000

**Grant Period:** July 1, 2000 through June 30, 2001

**Source of Funds:** U.S. Department of Housing and Urban Development (HUD)

**Project:** Home Investment Partnership (HOME) Program

**Description:** The HOME Program is authorized under title II of the National Affordable Housing Act of 1990 (Public Law Number 101-625). The Act provides funds for the acquisition, rehabilitation, and development of privately-owned affordable housing.

In August of 1994, HUD issued regulations requiring that a Consolidated Plan be developed for (a) the HOME Program, (b) the Housing Opportunities for People with AIDS (HOPWA) Program, and (c) the Community Development Block Grant (CDBG) Program. In response, MOH has developed a "Preliminary 2000 Action Plan for the City and County of San Francisco, Draft for Public Review"<sup>1</sup>. The

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<sup>1</sup> The "Preliminary 2000 Action Plan for the City and County of San Francisco, Draft for Public Review", dated March 30, 2000, contains the City's plans and programs for privately-owned housing, totaling \$82,388,311, as shown on the following page. The final 2000 Action Plan will reflect the program funding requests approved by the Board of Supervisors in this subject HOME Program legislation, and legislation being considered by the Finance and Labor Committee (Files 00-0486 and 00-0488).



Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

MOH advises that the Preliminary 2000 Action Plan, when finalized to reflect the program funding to be approved by the Board of Supervisors for the three programs noted above, will function as the MOH grant application for HOME program funding from HUD. MOH and the Mayor's Office of Community Development (MOCD) must submit the 2000 Action Plan to HUD by May 15, 2000. According to the Preliminary 2000 Action Plan for privately owned housing development and administrative costs, the MOH anticipates receiving \$7,115,000, which is \$38,000 or 0.5 percent more than the 1999 allocation of \$7,077,000.

Projected funds for the Preliminary 2000 Action Plan for privately owned housing developments totals \$ 82,294,835, with the funding sources identified on page \_\_ of our report including \$6,197,376 of the proposed \$7,115,000 HOME grant allocation <sup>2</sup> and various other sources of funding, as follows:

Funding Source	Amount
<i><b>Federal Funds</b></i>	
HOME	\$6,197,376
CDBG <sup>1</sup>	5,406,501
CDBG Program Income	240,000
HOPWA	<u>185,508</u>
Subtotal, Federal Funds	\$12,029,385
<i><b>Local Sources</b></i>	
Hotel Tax Fund	4,900,000
Citywide Tax Increment (T.I.)	19,275,000
SOMA T.I.	10,000,000
Western Addition T.I.	12,275,000
Mission Bay	4,000,000
Bonds: Development Account	16,842,750
Bonds: Down-payment Assistance Account	<u>2,969,700</u>
Subtotal, Local Funds	\$70,262,450
<b>Total</b>	<b>\$82,291,835</b>

<sup>2</sup> The funding sources noted above are for capital projects only. Of the proposed HOME grant, totaling \$7,115,000, \$6,197,376 is designated for capital projects (including acquisition and rehabilitation and new housing construction). \$56,474 is designated for tenant rental assistance and \$861,150 is designated for HOME administrative costs.

<sup>1</sup> Community Development Block Grant (CDBG) funds are the subject of File 00-0488.

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

The proposed total 2000 HOME Program funds of \$7,115,000 represents approximately 8.6 percent of the total \$ 82,291,835 in projected funds for privately owned housing development in San Francisco.

Procedures for allocating HOME Program funds were approved by the Board of Supervisors in August of 1992 (File 68-92-4.1) and revised in February of 1994 (File 68-94-7). These procedures outlined broad criteria and the process for allocating the HOME Program funds, including notification procedures to interested parties on the availability of housing funds, evaluation of funding proposals, and criteria for underwriting housing loans. Projects eligible for HOME funding are defined as follows:

- (a) Construction of new housing units or rehabilitation of existing housing units, which will be owned and managed by the applicant for HOME funding, and which will be occupied by households with incomes that do not exceed 60 percent of the median income established by HUD; or
- (b) First-time home ownership assistance for low-income persons with household incomes that do not exceed 80 percent of the median income established by HUD.

HOME regulations require that a minimum of 15 percent of the City's proposed FY 2000-2001 HOME allocation of \$7,115,000, or \$1,067,250, be reserved for housing developed, sponsored or owned by non-profit Community Housing Development Organizations (CHDO). According to Mr. Joe LaTorre of MOH, nearly all of San Francisco's affordable housing development efforts in recent years have been conducted in collaboration with local community-based non-profit housing development corporations, several of which have satisfied HUD requirements to qualify as CHDOs. CHDOs are expected to continue performing the roles that non-profit housing development corporations have traditionally performed in San Francisco, including acquisition and rehabilitation of existing buildings, acquisition of sites and development of new housing, and ownership and management of subsidized developments.

Memo to Finance and Labor Committee  
 April 19, 2000 Finance and Labor Committee Meeting

**Budget:** The proposed summary budget for the subject HOME Investment Partnership Program grant is as follows:

Program	FY 1999-2000 Budget	FY 2000-2001 Budget	Increase/ (Decrease) in FY 2000-2001
<i>Acquisition and rehabilitation of housing units for low-income households</i>			
• Per unit cost greater than \$25,000	\$2,897,288	\$2,339,249	(\$558,039)
• Per unit cost less than \$25,000	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>
<i>Subtotal, Acquisition/ Rehabilitation</i>	\$4,397,288	\$3,839,249	(\$558,039)
<i>New housing construction</i>	\$1,824,109	\$2,358,127	\$534,018
<i>Tenant-based housing assistance</i>	\$36,474	\$56,474	\$20,000
<i>Administrative Costs</i>			
Community Housing Corporation	150,000	150,000	0
MOH HOME Program	488,134	557,571	69,437
Other administrative costs	<u>182,995</u>	<u>153,579</u>	<u>(29,416)</u>
<i>Subtotal, Administrative Costs</i>	\$821,129	\$861,150	\$40,021
<b>Total</b>	<b>\$7,079,000</b>	<b>\$7,115,000</b>	<b>\$36,000</b>

**Required Match:** \$1,778,750 or 25 percent of HOME grant funds. Mr. LaTorre states that matching funds are available from the Home Tax Fund, identified as a local funding source on the previous page. Such matching funds would be part of the total funding of \$82,291,835 for privately owned housing developments, identified by the Preliminary 2000 Action Plan for the City and County of San Francisco.

**Comments:** 1. According to Mr. LaTorre, MOH will issue "Notices of Funding Availability" to nonprofit developers for (a) development of supportive housing<sup>1</sup> units (\$2,339,249), and (b) preservation of existing nonprofit-owned housing (\$1,500,000). Additionally, \$2,358,127 will be allocated to Bridge Housing Corporation, a nonprofit developer, for an existing project to construct new family rental housing at 1 Church Street. This total funding of \$6,197,376 represents 87.1 percent of the \$7,115,000 in HOME funding.

<sup>1</sup> Supportive housing provides necessary social services as well as housing to low-income residents.

2. Mr. LaTorre states that tenant-based housing assistance is provided by Catholic Charities Homeless Prevention Program to assist low-income tenants in avoiding eviction.

3. As shown in the table above, total administrative costs in the proposed FY 2000-2001 HOME Investment Partnership Program are \$861,150, which is \$40,021 or 4.9 percent more than total administrative costs in the FY 1999-2000 budget of \$821,129 (\$150,000 plus \$488,134 plus \$182,995). The FY 2000-2001 MOH HOME program administration costs of \$557,571 are \$69,437 or 14.2 percent more than the FY 1999-2000 allocation of \$488,134. According to Mr. Roger Sanders of MOCD, the increased HOME program administration costs are due to increased salary costs for the existing 5.05 program FTES, including negotiated salary increases, salary step increases, and the associated increase in fringe benefits. The Attachment, provided by Mr. Sanders, contains the budget details for the proposed FY 2000-2001 HOME administrative budget. The Budget Analyst has reviewed the FY 1999-2000 and FY 2000-2001 HOME administrative budgets.

4. Mr. LaTorre states that \$150,000 in administrative costs would be allocated to the Community Housing Corporation, which is unchanged from the amount allocated in FY 1999-2000. Of the \$150,000, the Chinese Community Housing Corporation, the Mission Housing Development Corporation, and the Tenderloin Neighborhood Development Corporation would each be allocated \$50,000.

5. Section 1.C of MOH Criteria and Procedures for allocating HOME Program funds requires that the Director of MOH submit an Annual Report to the Board of Supervisors by March 31 of each year for the preceding calendar year, providing an accounting of all HOME program funds received by the City and how the funds were expended. The Annual Report was submitted to the Board of Supervisors on April 7, 2000.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

## Mayor's Office of Housing HOME Administrative Expenditure Schedule 2000

Pgm	Grant	Mat	ID	Line Item	Description	St	Sub-Obj	Admin
	MOHM00	21H		Class	Title		FTE	
	MOHM00	21H	x	1367	Special Assistant VIII	Aliv Ann	0.20	\$ 9,392
	MOHM00	21H		1369	Special Assistant X		2.50	\$ 144,430
	MOHM00	21H		1370	Special Assistant XI		0.50	\$ 28,071
	MOHM00	21H		1371	Special Assistant XIV		0.50	\$ 31,711
	MOHM00	21H		1374	Special Assistant XII		0.50	\$ 43,117
	MOHM00	21H		1377	Special Assistant Program Development		0.10	\$ 10,489
	MOHM00	21H		9774	Sr Community Development Specialist		0.75	\$ 48,507
	MOHM00	21H						
	MOHM00	21H		Personnel	Labor Costs		\$ 05	\$ 316,217
	MOHM00	21H		Personnel	Labor Costs Fringes @ 22			\$ 69,568
	MOHM00	21H		Personnel	Labor Costs Total			\$ 385,785
	MOHM00	21H		Personel	Salary Savings @ 05			\$ 19,289
		21H		Personel	Negotiated Increases @ 04			\$ 15,431
	MOHM00	21H		Conferences & Travel	Conference Travel			\$ 5,000
	MOHM00	21H		Dravage/Freight	File Safe			\$ 500
	MOHM00	21H		Equipment	Lease Photocopier			\$ 5,000
	MOHM00	21H		Equipment	Maintenance & Repair			\$ 1,000
	MOHM00	21H		Equipment	Auto Fuel & Maintenance			\$ 1,000
	MOHM00	21H		Legal & Display Advertising				\$ 1,000
	MOHM00	21H		Memberships				\$ 15,000
	MOHM00	21H		Postage				\$ 2,500
	MOHM00	21H		Printing				\$ 5,000
	MOHM00	21H		Rental Space	25 Van Ness Lease			\$ 70,644
	MOHM00	21H		Supplies	Office Supplies			\$ 5,000
	MOHM00	21H		Telecommunications	Telephone Services			\$ 5,000
	MOHM00	21H		Training				\$ 2,500
	MOHM00	21H		TOTAL				\$ 487,571
	MOHM00	21H		Professional Services	Environmental Review			\$ 15,000
	MOHM00	21H		Professional Services	City Planning			\$ 10,000
	MOHM00	21H		Professional Services	City Attorney			\$ 25,000
	MOHM01	21H		Professional Services	Controller			\$ 10,000
	MOHM00	21H		Professional Services	Real Estate			
	MOHM00	21H		Professional Services	ADA			
	MOHM00	21H		Professional Services	Other			\$ 10,000
	MOHM01	21H		Total HOME				\$ 557,571



Memo to the Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

Item 6 - File 00-0488

**Note:** This item was continued by the Finance and Labor Committee at its meeting of April 12, 2000.

**Department:** Mayor's Office of Community Development (MOCD)

**Item:** Resolution approving the FY 2000-2001 Community Development Program. This resolution would (a) authorize the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's FY 2000-2001 Community Development Block Grant (CDBG) entitlement from the U.S. Department of Housing and Urban Development, and program income generated by the San Francisco Redevelopment Agency up to \$33,734,275, which includes indirect costs of \$160,000; and (b) approve the expenditure schedule for recipient departments and agencies and for indirect costs.

**Description:** Refer to the Budget Analyst's separate report of April 12, 2000 on the Mayor's proposed FY 2000-2001 Community Development Program.

The recommended FY 2000-2001 CDBG budget is \$25,275,000, which is \$64,945 or 0.25 percent more than the FY 1999-2000 CDBG budget of \$25,210,055. Section I through XII of the April 12, 2000 report provides an analysis of the proposed FY 2000-2001 CDBG budget, including the Budget Analyst's recommendations.

Additionally, funds in the amount of \$8,459,275 would be used for specific program-income funded activities, as discussed in Section XIII of the April 12, 2000 report.

**Summary of**

**Recommendations:** The Budget Analyst's recommendations for the FY 2000-2001 CDBG and Program Income budget are as follows:

- Reduce the FY 2000-2001 Program Administration budget by \$13,146, from the proposed amount of \$4,416,605 to \$4,403,459, and place the amount of \$13,146 on reserve to be used for other CDBG eligible activities.



Memo to the Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

- Reserve \$533,581 of the requested FY 1999-2000 CDBG and Program Income funds, totaling \$33,734,275, as follows:
  - (1) \$90,000 in the Facility Emergency Relief Pool, to be used to fund the Lavender Youth Recreation and Information Center, pending submission of a program plan and budget details.
  - (2) \$100,000 in the Mayor's Economic Development Pool, pending submission of a program plan and budget details.
  - (3) \$43,581 in the MOCD Planning and Capacity Building Pool, pending submission of an expenditure plan and budget details.
  - (4) \$300,000 in the Program Income Capital Projects Pool, to be used to fund American with Disabilities Act improvements for Brooks Hall, pending submission of budget details.
- Approval of funding in the amount of \$4,201,827 for new or expanded programs is a policy matter for the Board of Supervisors.
- Approve funding in the amount of \$29,516,302, including CDBG and Program Income programs, for existing programs for which the recommended budget for FY 2000-2001 was unchanged from the FY 1999-2000 budget.

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

Item 7 - File 00-0424

**Note:** This item was continued by the Finance and Labor Committee at its meeting of April 5, 2000.

**Department:** Department of Public Health (DPH)

**Item:** Ordinance amending Part III of the San Francisco Municipal Code (Business and Tax Regulation Code) by amending Section 249.11 to revise permit fees for temporary food operations at special events; amending Part II of the San Francisco Municipal Code (Traffic Code) by amending Section 806 to revise Department of Public Health permit fees for food operations at street fairs; amending Part II of the San Francisco Municipal Code (Health Code) by amending Sections 451 and 452 to: (a) reorganize the section on applying for permits to operate a food establishment, (b) modify the definition of "special events," (c) change the deadline for applications for temporary food permits for special events, and (d) impose an extra fee for late applications for temporary permits.

**Description:** As the local health enforcement agency, the DPH has the authority to enforce the California Uniform Retail Food Facilities Law (CURFFL). In this role, the DPH, Environmental Health Section's Special Events program issues permits and inspects businesses that sponsor or conduct temporary food or beverage sales or distributions. Activities associated with this oversight role include reviewing permit application and food preparation, issuing required permits, conducting routine and follow up inspections, and providing outreach to businesses to assure compliance with CURFFL. Regulated businesses currently pay fees to the city based upon the number of temporary food booths per day of operation.

The current San Francisco Municipal Code sets forth procedures to apply to the Department of Public Health for food preparation and service establishment permits. The Municipal Code also requires a temporary food service permit to serve food at special events including street fairs, and sets forth fees and deadlines for permit applications and for the permits themselves.

The proposed amendment would, beginning FY 2000-2001, (1) increase DPH's filing fee for the sponsor of a "special event" at which food will be served, including street fairs;

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

(2) establishes new application and permit fees for temporary food permits for special events based on the classification of food being served as either "high" (prepared on site) or "low"(pre-packaged) in potential health hazard; (3) increase filing, application, and permit fees by 3% each year beginning FY 2001-2002 subject to prior review by the Controller, submission of program costs by DPH, and a report to the Board of Supervisors that details program costs and anticipated revenues; (4) modify the definition of "special events" to be slightly more inclusive for purposes of temporary food permit applications; (5) impose a 50% late charge if applications and filing fees for temporary food permits are not received by the DPH by at least 14 days before the event, and forecloses approval of applications if those applications and filing fees are not received prior to seven days before the event, and (6) reorganize the applicable Municipal Code sections on applications for food service permits, including temporary food permits to accommodate the changes above.

According to DPH, the permit fees are intended to fully recover the cost of this program. The Board of Supervisors last increased the program fees for Special Events in July of 1988 (file 341-88). According to Mr. James Gillen, Senior Administrative Analyst at DPH, the revenues from Special Event fees realized by the City have consistently been less than the City costs incurred in connection with such events.

Attachment I, provided by DPH, contains a list of all current fees applicable to this legislation. Including the existing fees, the proposed fees, the amount of the proposed fee increases, the percentage fee increases, the amount of the current annual revenues, and the amount of the proposed annual revenues if the proposed fee increases are approved. As noted in Attachment I, the total increase in fee revenue would be 187 percent if this proposed ordinance is approved.

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<sup>1</sup> The current Section 249.11 of the Municipal Code reads: "Special Events" means any organized collection of food purveyors operating individually or as a group from within temporary facilities for a maximum 25 days within a 90-day period upon private or public property." The new ordinance would read: "Special Events" means any organized collection of food purveyors operating individually or collaboratively out of approved temporary or mobile food facilities at a fixed location for a period of time not to exceed 25 days in a 90-day period in conjunction with a single, weekly, or monthly community event as defined in the California Health and Safety Code Section 113895(b)."

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

**Comments:**

1. Attachment II, provided by DPH, details the City's FY 2000-2001 costs for regulation of temporary food operations at special events which are projected to be \$173,185, or \$1,805 less than the projected revenues of \$174,990. According to Mr. Gillen, if revenues exceed costs, DPH will make an adjustment to its proposed annual request for a three percent fee increase. DPH will request an adjusted rate of increase to ensure that program revenues closely match program costs. Based on the data presented in Attachments I and II, total projected FY 2000-2001 expenditures of \$173,185 would exceed revenues based on current fees by \$112,198 if this proposed ordinance is not approved (\$173,185 in expenditure less \$60,507 in revenue based on current fees).

2. Attachment III, provided by DPH, contains a list of the counties that were surveyed by DPH for their fee structures regarding temporary food operations. According to Mr. Gillen, these counties were surveyed to provide a basis for comparison, and to ensure that, relative to other counties, the fees required by the City and County of San Francisco would not be excessive.

3. According to Mr. Gillen, annual fee increases of up to three percent would be reviewed by the Controller, and reported to the Board of Supervisors. As such, separate Board of Supervisors approval of future fee increases would not be required. If the proposed ordinance is approved, new fee revenues would be included in DPH's FY 2000-2001 budget.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Table 2. Current (99-00) and Proposed (00-01) Fee Schedule

	Estimated Inventory	Current Fees	Proposed Fees	Percent Increase/Decrease	Proposed Revenue/Year
Application Fees:					
1. Event Sponsor	210	\$50	\$100	100%	\$21,000/year
2. Sponsored Low Hazard Operator	369	No Charge	\$20	N/A	\$7,380/year
3. Sponsored High Hazard Operator	1116	No Charge	\$46	N/A	\$51,336/year
4. Un-sponsored Low Hazard Operator	41	\$50	\$20	(60%)	\$820/year
5. Un-sponsored High Hazard Operator	124	\$50	\$46	(8%)	\$5,704/year
Permit Fees					
6. Low Hazard Operation		\$25 1 <sup>st</sup> day/ \$10 each day	\$35 up to 2 days \$10 each day	40%	\$14,350/year
7. High Hazard Operation		\$25 1 <sup>st</sup> day/ \$10 each day	\$60 up to 2 days \$20 each day	140%	\$72,600/year
Total Fee Revenue		\$60,987	\$174,990	187%	

Table 1. Projected FY 2000-01 Special Events Program Costs

Budget Category	FTE	Annual Expense
6122 Sr. Health Inspector	0.96	75,695
6120 Health Inspector	0.31	22,720
6124 Principal Health Inspector	0.15	12,724
1426 Clerk Typist	0.25	10,727
Mandatory Fringe Benefits		30,466
Prorated operating costs		20,854
Projected Program Total Cost		\$173,185
Annual Fees Collected		\$ 60,987
Expected Costs Not Recovered		\$112,198
Projected Fees Collected FY 00/01		\$174,990
Projected Over-Collection		\$ 1,805



# Special Events Current Fees Survey of Selected California Counties

County	Filing Fee	Fee Structure	
San Francisco	\$50	\$25/booth - 1 <sup>st</sup> day \$10/booth x day after 1 <sup>st</sup> day	
Alameda	\$100 (Sponsor)	\$100/booth - potentially hazardous foods (PIFF) \$50/booth	
Contra Costa	\$30 (Sponsor)	\$68.75/profit booth	Other \$99 late application fee under 10 days \$109/hour reinspection
Los Angeles	\$279	\$110/booth	
Sacramento	None	\$149/booth - PIFF \$74/booth prepackaged foods	
San Mateo	none	Non-profits exempt \$86/booth \$50/booth if coordinator puts paperwork together	Other 3.5% annual fee increase
Santa Clara	none	\$11/non-profit booth \$114/profit booth	Other 2% + annual fee increase
Santa Cruz	none	\$72/booth/single event \$150/booth year-round One day events exempt	

**Department:** Department of Human Resources (DHR)

**Item:** Ordinance fixing compensation for persons employed by the City and County of San Francisco whose compensation is subject to the provisions of Section A 8.409 of the Charter, in classes not represented by an employee organization and establishing working schedules and conditions of employment and methods of payment, effective July 1, 2000.

**Description:** The proposed ordinance would fix compensation levels and establish working schedules and conditions of employment for the 85 classifications, identified in Attachment I, which consists of a total of 158 employees not represented by an employee organization. Of these 158 employees, 37 are management employees and 121 are non-management employees. Such compensation levels and working schedules are set by ordinance annually for Unrepresented employees, including positions designated as "A" or unclassified positions, and various other positions. The proposed ordinance is for the one-year period from July 1, 2000 through June 30, 2001.

The changes in the proposed ordinance from FY 1999-2000 to FY 2000-01 are as follows:

#### Section 2 - Wage Rates

For FY 1999-2000, the wage rates for the employees covered by this ordinance were increased by two percent effective July 1, 1999 and another 1.5 percent effective December 25, 1999. Under the proposed ordinance, Unrepresented employee wage rates for FY 2000-01, except as noted below, would be increased by an additional two percent effective July 1, 2000 and another 1.5 percent on January 6, 2001.

The proposed ordinance would also increase the salary range for the Supervising Performance

Auditor classification (Classification 1801), which covers two positions, by 7.4 percent (the two percent increases other covered employees would receive plus an additional 5.4 percent), from the existing \$2,166 - \$2,632 biweekly to \$2,326 - \$ 2,827 biweekly effective July 1, 2000 (See Comment 2). At the top step, and including the additional 1.5 percent increase in January of 2001, the 1801 Supervising Performance Auditors would be paid \$74,336 in FY 2000-01. In addition, the proposed ordinance states that the salary for the Director of the Employee Relations Division (Classification 1283) shall not be less than Classification 1278, the Division Manager, Personal, effective July 1, 2000 (See Comment 3).

The proposed ordinance also deletes the biweekly salary rates for all of the Executive Assistant classifications covered by this ordinance (See Comment 4).

#### Section 38 - Severance Pay

Currently, the City must provide up to 30 days of severance pay for employees in AC01 Executive Assistant I through AC22 Executive Assistance XXII positions, if the number of days from the date notice was given was less than 30 and if the employee is involuntarily removed and the employee does not have "bumping rights". The proposed ordinance would delete this severance pay provision (See Comment 4).

#### Various Sections

The proposed ordinance also includes various changes to reflect updates to previously approved Charter Amendments, corrections for titles and dates and other clerical revisions for clarity.

#### Comments:

1. According to Ms. Alice Villagomez of ERD, the proposed wage increases of two percent on July 1, 2000 and another 1.5 percent on January 6, 2001 is being proposed for the Unrepresented employees because this is the same wage increases that other

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

City craft workers, Local 21 employees and most other miscellaneous, non-uniformed employees in the City have been previously authorized by the Board of Supervisors to receive in FY 2000-01.

2. Ms. Janet Rogers of DHR advises that the proposed increase in salary of 7.4 percent for the 1801 Supervising Performance Auditors, includes the overall two percent wage increase for all Unrepresented employees as of July 1, 2000. According to Ms. Rogers, this 7.4 percent increase is intended to restore the same wage rates for both the 1801 Supervising Performance Auditor and the 1686 Supervising Auditor positions, which Ms. Rogers advises are comparable positions within the Controller's Office. Ms. Rogers reports that the 1686 Supervising Auditors are currently represented by Local 21 and are paid at this higher wage scale.

3. In addition, Ms. Rogers advises that the language requiring that the salary of the 1283, Director of the Employee Relations Division not be less than the 1278, Division Manager, Personnel is proposed in order to maintain the historical pay relationship between these two classifications. Currently, the Director of the Employee Relations Division is paid \$104,512 at the top step, which will increase by an overall 2.4 percent to \$106,989 at the top step in FY 2000-01, under the proposed ordinance. Currently, the 1278, Division Manager, Personnel is paid \$100,511 at the top step. However, Ms. Rogers advises that the 1278, Division Manager, Personnel position is currently represented by the Management Executive Association (MEA), which has not yet determined those classifications that will receive additional internal salary adjustments for FY 2000-01. Although the proposed ordinance does not specify how much the Director of the Employee Relations Division would be paid, Ms. Rogers advises that if the Division Manager, Personnel receives pay increases which result in a higher salary than the amount paid to the Director of the Employee Relations Division, then the Director's salary would

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

be increased to the same level as the Division Manager, Personnel. The Budget Analyst notes that currently the Director of the Employee Relations Division is paid 4.0 percent more than the Division Manager, Personnel.

4. According to Ms. Rogers, in response to requests by the Mayor's Office, the 22 different Executive Assistant classifications (AC01 Executive Assistant I through AC22 Executive Assistant XXII) were created in last year's Unrepresented employees ordinance. Ms. Rogers advises that the proposed ordinance deletes the specific biweekly salary rates for all of these Executive Assistant classifications because these salaries would now be listed in the City's Compensation Manual, ranging between \$1,271 biweekly (\$33,046 annually) for an Executive Assistant I to \$5,693 biweekly (\$148,018 annually) for an Executive Assistant XXII at the top step, effective July 1, 2000. Ms. Rogers advises that none of these Executive Assistant classifications are currently filled positions. Ms. Rogers further advises that the severance pay provisions for these Executive Assistant classifications are deleted in the proposed ordinance because none of these positions are filled and therefore, such severance pay provisions are not necessary at this time.

5. As shown in Attachment II, provided by Ms. Peg Stevenson of the Controller's Office, implementing the proposed ordinance would result in estimated salary, internal adjustments and fringe benefit costs of an additional \$413,067 for FY 2000-01 and \$516,969 on an annualized basis in FY 2001-02, for a total additional two year cost of \$930,036. Based on the existing salary base of approximately \$11.6 million for the 158 employees that would be affected by the proposed ordinance, this would result in an increase of approximately 3.57 percent above their base salaries in FY 1999-2000 and an additional 0.86 percent in FY 2001-02.

6. The Budget Analyst concurs with the Controller's cost analysis. However, the Budget

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

Analyst notes that the actual costs in FY 2001-02 are likely to be higher than the amounts indicated since the proposed ordinance is only effective for the one year period from July 1, 2000 through June 30, 2001, and there is likely to be another ordinance next year, further adjusting annual compensation for the Unrepresented employees.

7. Ms. Stevenson advises that the \$413,067 required to pay for these wage and fringe benefit increases will be included in the FY 2000-01 budget, as submitted to the Board of Supervisors. The funding source for General Fund-supported departments would be the City's General Fund, while other Special Fund departments, such as the Airport, would use other funding sources to finance these increased wage and benefit costs.

8. A substitute ordinance has been introduced to delete language in order that this ordinance will not result in any changes to the current procedures for retirement contributions.

**Recommendation:** Approval of the proposed substitute ordinance is a policy matter for the Board of Supervisors.



## Attachment A

### Miscellaneous Unrepresented Classifications (EGC 0001)

1130 Youth Commission Advisor, Board of Supervisors  
1229 Special Examiner  
1471 Elections Worker  
1801 Supervising Performance Auditor  
1942 Assistant Materials Coordinator  
2561 Optometrist  
2576 Supervising Clinical Psychologist  
2782 Laundry Superintendent  
3238 Dance Instructor  
3438 Tree Topper Supervisor II  
3484 Agricultural Division Land Agent  
3650 Medical Records Librarian  
5264 Airport Noise Abatement Technician  
5502 Project Manager I  
5504 Project Manager II  
5506 Project Manager III  
5630 Water & Power Analyst I  
7369 Apprentice Sheet Metal Worker  
8121 Investigator, Public Transportation Commission  
8168 Parking Hearing Supervisor  
8222 Housing Authority Police Officer  
8247 Emergency Planning Coordinator  
8446 Court Alternative Specialist I  
9132 Transit Fare Inspector  
9914 Public Service Aide – Administration  
9916 Public Service Aide – Public Works  
9920 Public Service Aide – Assistant to Professionals  
9922 Public Service Aide – Associate to Professionals  
A046 Transit Line Manager  
A047 Water Supply Engineer  
A100 Parking Enforcement Supervisor  
A739 Transit Maintenance Manager III  
A805 Telecommunications Systems Director  
A837 Investigative Assistant  
A922 Electronic Instrumentation Assistant Supervisor  
AA37 Executive Assistant to the Assessor  
AA56 Parking Citation Hearing Officer  
AA63 Administrative Secretary, Port  
AA85 Administrative Secretary, Transportation Commission  
AB07 Information Clerk, Parking & Traffic  
AB21 Dual Diagnosis Specialist  
AB26 Director of Taxpayer Assistant

AB27 Secretary, Commission on the Environment  
AB80 Principal Public Defender's Investigator  
AC01 Executive Assistant I  
AC02 Executive Assistant II  
AC03 Executive Assistant III  
AC04 Executive Assistant IV  
AC05 Executive Assistant V  
AC06 Executive Assistant VI  
AC07 Executive Assistant VII  
AC08 Executive Assistant VIII  
AC09 Executive Assistant IX  
AC10 Executive Assistant X  
AC11 Executive Assistant XI  
AC12 Executive Assistant XII  
AC23 Public Safety Wire Communications Program Manager  
AC24 Secretary, Port Commission

### **Management Unrepresented Classifications (EGC.0002)**

1283 Director, Employee Relations Division  
1293 Human Resources Director  
1379 Special Assistant XX  
1849 Mayor's Program Manager  
2953 Chief Deputy Director, Department of Human Services  
2978 Contract Compliance Officer II  
5508 Project Manager IV  
8137 Chief/Victim Witness Investigator  
9252 Airport Maintenance Superintendent  
A006 Parking Bureau Chief  
A114 MIS Manager  
A827 Airport Parking Manager  
A919 Construction Contract Administration  
AA81 Executive Director, Ethics Commission  
AB29 Business & Economic Development Director  
AB31 Executive Director, Department of the Environment  
AB44 Confidential Chief Attorney II, (Civil & Criminal)  
AC13 Executive Assistant XIII  
AC14 Executive Assistant XIV  
AC15 Executive Assistant XV  
AC16 Executive Assistant XVI  
AC17 Executive Assistant XVII  
AC18 Executive Assistant XVIII  
AC19 Executive Assistant IXX  
AC20 Executive Assistant XX  
AC21 Executive Assistant XXI  
AC22 Executive Assistant XII



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington  
Controller

Matthew H. Hymowitz  
Chief Assistant Controller

April 11, 2000

Ms. Gloria L. Young, Clerk of the Board  
Board of Supervisors  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

RE: Ordinance Fixing Compensation for Unrepresented Employees  
File No. 00-0565

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of an ordinance fixing compensation for unrepresented employees of the City and County of San Francisco. The ordinance covers the period July 1, 2000 through June 30, 2001, and affects approximately 158 employees with a salary base of approximately \$11.6 million.

Based on our analysis, the ordinance will result in incremental costs of approximately \$413,000 in FY 2000-2001 and \$104,000 in FY 2001-2002. These increments represent cost increases above base salaries of approximately 3.57% in FY 2000-2001 and .86% in 2001-2002. Please see Attachment A for specific cost estimates.

If you have any additional questions or concerns please contact me at 554-7500 or Peg Stevenson of my staff at 554-7522.

Sincerely,

A handwritten signature in dark ink, appearing to read "Edward M. Harrington".

Edward M. Harrington  
Controller

cc: Vicki Rambo, ERD  
Harvey Rose, Budget Analyst

Attachment A  
Unrepresented Employees Ordinance  
Estimated Costs 2000-2001  
Controller's Office:

<u>Annual Incremental Costs/(Savings)</u>	<u>FY 2000-2001</u>	<u>FY 2001-2002<sup>1</sup></u>
<b>Wage Increase</b>		
2% on July 1, 2000 and 1.5% on January 1, 2001	\$318,314	\$90,099
<b>Internal Adjustments</b>	39,877	
<b>Wage-Related Fringe Increases</b>	<u>54,875</u>	<u>13,803</u>
<b>Total Estimated Incremental Costs</b>	<u><u>413,067</u></u>	<u><u>103,902</u></u>
<b>Annual Amount Above 1999-2000 Level</b>	413,067	516,969
<b>Cumulative Total Above 1999-2000 Provisions</b>		\$930,035
<b>Incremental Cost % of Salary Base</b>	3.57%	0.86%

<sup>1</sup> Amount shown is due to annualization of the prior year's wage increase.

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

Item 9 - File 00-0524

**Department:** Public Utilities Commission (PUC)  
Hetch Hetchy Water and Power

**Item:** Resolution authorizing the expenditure of funds for emergency repair of corrosion in the San Joaquin Pipeline No. 3 of the Hetch Hetchy Aqueduct.

**Comment:** Mr. Larry Klein of the PUC has requested that the proposed resolution be continued for one week.

**Recommendation:** Continue this resolution for one week as requested by Mr. Klein.

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting  
Item 10 - File 00-0568

**Department:** Public Utilities Commission (PUC)

**Item:** Resolution authorizing a new 20-year lease of Public Utilities Commission land between the City and County of San Francisco and the Koret Foundation, in San Mateo County.

**Location:** Portion of Parcel 22, Baden-Merced Bay Division Pipeline Right of Way, City of South San Francisco, San Mateo County, California

**Purpose of Lease:** Paved parking lot, driveway, and landscaped area to be used by the Lessee's (Koret Foundation's) adjacent apartment complex.

**Lessor:** City and County of San Francisco through the Public Utilities Commission

**Lessee:** Koret Foundation

**No. of Square Feet and Rent Per Month:** 41,817 square feet of land. However, the rent is based on only 11,650 square feet of leaseable land at \$1,101 per month, or \$0.095 per square foot of leaseable land per month (\$13,211 annually). See Comment No. 2 for additional details.

**Annual Rent Payable  
By Koret Foundation  
To the City:**

\$13,211. This annual rent would be adjusted 12 months after the commencement date of the lease, and then readjusted every 12 months thereafter, by the annual percentage increase in the Consumer Price Index (CPI). In accordance with the proposed lease, the monthly base rent on or after the adjustment date cannot be less than the monthly base rent in effect immediately prior to the adjustment date.

In addition, the base rent would be adjusted to equal the fair market rental of such property every five years. This adjustment would be determined by the Public Utilities Commission's Bureau of



Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

Commercial Land Management, using a market survey approach, in consultation with the Department of Real Estate. The adjustment would take into account (a) land values in the general vicinity of the City of South San Francisco (b) the location and size of the premises covered by leases of comparable space, and (c) the duration of the comparable leases. As noted above, the annual base rent on or after the adjustment date cannot be less than the annual base rent in effect immediately prior to the adjustment date.

**Increase (Decrease)  
in Rent:**

Under the proposed lease the annual rent on the subject PUC property would increase from the previous rent of \$8,280 annually to \$13,211 annually, an increase of \$4,931, or 59.6 percent. See Comment No. 3 for details.

**Term of Lease:**

The proposed lease between the PUC and the Koret Foundation would commence upon approval by the Board of Supervisors and would expire 20 years thereafter (approximately May of 2020).

**Right of Renewal:**

None.

**Description:**

The proposed resolution would authorize a 20-year lease of 41,817 square feet of PUC property for use as a paved parking area with a driveway and landscaping for the Lessee's adjoining apartment complex.

**Comments:**

1. Mr. Gary Dowd of the PUC reports that the subject PUC parcel is landlocked by the Lessee's property and thus the PUC parcel has no use to any other property owner and is not available for independent development. According to Mr. Dowd, when the PUC originally purchased the subject property in 1907, the original owner who sold the property to the PUC reserved agricultural (landscaping) and cross over (access) right privileges for the adjoining properties in the grant deed. Mr. Dowd advises that the original deed therefore requires the PUC to permit the adjoining property owner to continue to allow agricultural

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

and access rights on the PUC's property, at no charge.

2. Of the total 41,817 square feet of space under the proposed lease, 30,167 square feet, or approximately 72 percent of the area would be exclusively used for agricultural (landscaping) and crossover (driveway) purposes only. The remaining 11,650 square feet, or approximately 28 percent of the area, would be used for a paved parking lot. Mr. Dowd advises that the PUC measured the uses that were not strictly for landscaping and driveway purposes to determine the amount of square footage for which the subject lease could be charged. Therefore, although the subject lease is for the entire 41,817 square feet of space, only 11,650 square feet of space, which would be used for the parking lot, is subject to the rental rate of \$1,101 per month (approximately \$0.095 per square foot of leaseable land per month) or \$13,211 annually.

3. Mr. Dowd advises that the Koret Foundation previously held a 9-year lease for the subject property, for the same landscaping, driveway and parking lot purposes that are proposed under the subject new lease. However, Mr. Dowd reports that during the approximate six years since this 9-year lease expired in September of 1994, the Koret Foundation has leased the subject property on a month-to-month basis. Furthermore, Mr. Dowd advises that the PUC and the Koret Foundation recently completed involved and time-consuming negotiations over the subject lease. According to Mr. Dowd, the rent under the previous month-to-month hold over was \$690 per month, or \$0.059 per square foot of the 11,650 square feet of leaseable land per month (\$8,280 annually.) Mr. Dowd advises that the previous lease and month-to-month hold over did not contain provisions for market rental rate reevaluations and increases, although Consumer Price Index (CPI) adjustments were included.

5. According to Mr. Dowd, the proposed annual rental rate of \$13,211 reflects the current fair

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

market rental rate for the subject property. In addition, as previously noted, Mr. Dowd advises that the proposed lease contains several provisions for revaluation and rent adjustments for the subject property lease.

5. As noted above, the PUC has leased the subject property to the Koret Foundation on a month-to-month hold over basis since 1994, approximately 6 years ago. According to Mr. Dowd, over the course of the past four years, the PUC has been renegotiating all of PUC's leases and permits that were previously issued, on a priority basis, with the larger revenue generating leases and permits addressed first, followed by PUC's smaller transactions, such as the subject lease.

**Recommendation:** Approve the proposed resolution.

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

Item 11 - File 00-0484

**Department:** Department of Public Health (DPH)  
Department of Human Services (DHS)  
Department of Real Estate (DRE)

**Item:** Resolution authorizing and approving a new Master Lease by and between the City and County of San Francisco, for the Department of Public Health, as tenant, and Hotel Le Nain, LLC, as landlord, for the "Hotel Le Nain" located at 730 Eddy Street, San Francisco.

**Location:** "Hotel Le Nain", 730 Eddy Street, San Francisco.

**Purpose of Lease:** To provide 92 residential dwellings for approximately 115 subtenants under the "Direct Access to Housing" Program (see "Description" below).

**Lessor:** Hotel Le Nain, LLC, a California limited liability company.

**Lessee:** City and County of San Francisco, on behalf of DPH.

**No. of Sq. Ft. and Cost Per Month:** 60,000 square feet at a monthly rent of \$38,500 (approximately \$0.64 per square foot) during Year One of the subject lease (see Comment No. 7 for the annual rent adjustment formula).

**Annual Cost:** \$462,000 in Year One of the subject lease. Annual rental costs in subsequent years would be subject to the annual rent adjustment formula explained in Comment No. 7.

**Utilities and Janitor Provided by Lessor:** None

**Term of Lease:** Ten years (May 1, 2000 to April 30, 2010).

**Right of Renewal:** None

**Source of Funds:** According to Mr. Marc Trotz of DPH, \$160,000 has been budgeted in FY 1999-2000 by DPH for "Hotel Le Nain" start-up and operations costs. Ms. Monique Zmuda of DPH states that a funding proposal for the "Hotel Le Nain" in the amount of \$640,400 from the General Fund

BOARD OF SUPERVISORS  
BUDGET ANALYST

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

has been included in the DPH's proposed FY 2000-2001 budget<sup>1</sup>. According to Ms. Taylor Emerson of the Mayor's Budget Office, DPH's funding proposal for \$640,400 from the General Fund in FY 2000-2001 for Hotel Le Nain operating costs has been developed by the Mayor's Budget Office.

**Description:**

The subject master lease<sup>2</sup> would permit DPH to lease 60,000 square feet of the "Hotel Le Nain", a residential class tourist hotel located at 730 Eddy Street, San Francisco, for ten years in order to sublease residential units to individuals eligible for assistance from DPH's "Direct Access to Housing" Program. This program is designed to secure affordable, community-based housing for homeless and extremely low-income San Francisco residents by having the City or a nonprofit organization lease privately owned buildings and then sublease residential units in those buildings to individuals who (a) are medically frail, and/or (b) are at risk of homelessness, and/or (c) have recently exited homeless shelters or residential treatment programs, and (d) are capable of living independently with on-site support services. Mr. Trotz states that the "Hotel Le Nain" would particularly target homeless seniors. According to Mr. Trotz, the "Hotel Le Nain" would be the third residential building to be leased by the City for the "Direct Access to Housing" Program. The first was the Pacific Bay Inn, located at 520 Jones Street, and the second was the Windsor Hotel, located at 238 Eddy Street, both of which are already occupied by DPH clients. DHS also operates three equivalent residential facilities.

**Comments:**

1. The "Hotel Le Nain" is currently used as a residential and tourist hotel. Of the 92 units, 50 are currently occupied. Mr. Trotz states that DPH would lease the entire building and property, with the exception of a portion of the ground floor space of the building, and DPH would accept all existing tenants. DPH clients would move into those 50 units as they become available

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<sup>1</sup> A FY 2000-2001 budget appropriation of \$640,400 would fund the difference between projected Hotel Le Nain annual rent payments of \$408,000 and total estimated expenditures of \$1,048,400 (see Comment No. 8).

<sup>2</sup> This "master lease" structures the lease so that the DPH assumes full responsibility for the day-to-day operations, maintenance, and repair of the Hotel Le Nain, rather than sharing that responsibility with the building owner.



Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

through attrition. Mr. Trotz states that there would be no time limit placed on the length of DPH clients' residency at the hotel. According to Mr. Trotz, the building is in such good physical condition that DPH would only need to invest in some minor accessibility improvements. Ms. Zmuda states that the cost of such improvements is estimated to be approximately \$75,000 which would be funded from FY 1999-2000 DHS funds set aside for housing services.

2. According to Ms. Zmuda, DPH plans to enter into a sole source contract with a nonprofit agency, Episcopal Community Services (ECS), for:

- property management services, at an estimated annual cost of \$386,400 (as shown in Comment No. 4 below); and
- delivery of a range of on-site support services for mental health, life skills development, crisis intervention, access to medical care, and meals, at an estimated annual cost of \$200,000 (as shown in Comment No. 5 below).

The sources of funds for these annual contractual costs of \$586,400 (\$386,400 plus \$200,000) would be (a) tenant rental revenues, and (b) the General Fund (see Comment No. 8).

3. Ms. Zmuda states that DPH plans to enter into a sole source contract with ECS because when DPH issued two Requests for Proposals for supportive housing services in the Spring of 1999, it received no bidders for the Windsor Hotel and only one bidder, ECS, for the Pacific Bay Inn. Mr. Trotz advises that this lack of response was due to non-profit organizations' unfamiliarity with providing a combination of both property management services and supportive residential services. Most non-profit organizations provide either one type of service or the other. Ms. Zmuda states that ECS has a very positive performance record. This is demonstrated, according to Mr. Trotz, by DPH's contracts with ECS for (a) site administration of DPH's Pacific Bay Inn residential facility, and (b) supportive housing units for the homeless at the ECS-owned Canon Kip Community House. Furthermore, ECS operates the Episcopal Sanctuary, a



Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

homeless shelter on Eighth Street, which provides temporary accommodation for homeless seniors who would be eligible for permanent housing at the Hotel Le Nain, thereby ensuring continuity of care, according to Mr. Trotz.

4. According to Mr. Trotz, the estimated annual property management services contract cost with ECS of \$386,400 would be expended as follows:

<u>Expenditure Item</u>	<u>Estimated Cost</u>
Property management costs	\$154,000
Utilities	75,000
Furniture and equipment	41,400
Maintenance, services, and repairs	80,000
Processing fees and credit reports for new tenants	6,000
Maintenance supplies	<u>30,000</u>
<b>TOTAL:</b>	<b>\$386,400</b>

Mr. Trotz states that these cost estimates are based on (a) applying DPH's previous experience in contracting out the property management of residential hotels to the Hotel Le Nain, and (b) the actual known operating costs of the Hotel Le Nain.

5. According to Mr. Trotz, the estimated on-site support services contract cost with ECS of \$200,000 would be expended on staffing costs as follows:

<u>Expenditure Item</u>	<u>Estimated Cost</u>
Program Director (0.5 FTE)	\$35,000
Activities Co-ordinator	45,000
Case Manager	45,000
Nurse (0.5 FTE)	30,000
Social Worker	<u>45,000</u>
<b>TOTAL:</b>	<b>\$200,000</b>

The attachment, provided by Mr. Trotz, provides further budget details about this proposed expenditure of (a)

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

\$386,400 for property management services, and (b) \$200,000 for on-site support services.

6. Under the subject lease, DPH would be responsible for the cost of maintenance or repair of major systems (such as the elevator, and the heating, ventilation, air conditioning, electrical, and plumbing systems) if such maintenance or repairs (a) cost up to \$5,000 per maintenance or repair obligation, up to an annual cap of \$15,000, or (b) were the result of DPH or subtenant negligence, misconduct, or vandalism. ECS would be responsible for the full cost of routine maintenance and repair of non-major systems and facilities, including monthly pest control services.

7. Under the subject lease, on each anniversary of the lease commencement date, the rental rate would increase by the percentage increase in the Consumer Price Index (CPI) for the San Francisco Metropolitan Area, provided that the percentage increase shall not be less than 3.5 percent nor more than 6 percent.

8. According to Mr. Trotz, the total cost of operating the "Hotel Le Nain" in Year One of the proposed lease would be as follows:

Annual rent:	\$462,000
Contract for property management services:	386,400
Contract to provide on-site services:	<u>200,000</u>
Total Expenditures:	\$1,048,400

Mr. Trotz states that this total operating cost of \$1,048,400 in Year One would be met by the following funding sources:

Existing tenants' rent payments	\$240,000
(50 rooms x \$400 per month x 12 months)	
DPH client tenants' rent payments <sup>3</sup> :	168,000
(40 rooms x \$350 per month x 12 months)	
New DPH General Fund allocation:	<u>640,400</u>
Total Revenues:	\$1,048,400

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<sup>3</sup> DPH client tenants would be required to pay approximately 50 percent of their income as rent.

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

9. Ms. Zmuda states that a funding proposal for the "Hotel Le Nain" in the amount of \$640,400 from the General Fund has been included in the DPH's proposed FY 2000-2001 budget. Mr. Trotz states that the proposed lease contains a termination clause (Section 3.4) which permits the City to terminate the lease for any reason upon 180 days prior written notice. This would permit the City to terminate the lease in six months in the event of non-appropriation of the necessary operating funds.

10. There are currently approximately 73 existing tenants occupying 50 of the hotel's 92 rooms, some of which are occupied by two tenants. These existing tenants currently pay, on average, \$400 in monthly rent per room, or \$4,800 per room per year. The remaining 42 rooms would be rented to individual DPH client tenants who would pay a standard rental rate of \$350 in monthly rent per room, or approximately \$4,200 per room per year<sup>4</sup>. As existing tenants leave and are replaced by DPH client tenants, rental revenue will decrease from an average of \$400 per room per month to an average of \$350. However, according to Mr. Trotz, attrition of existing tenants is likely to be very slow (he estimates that only two existing tenants will leave each year) and, therefore, the \$50 monthly differential between the rent paid by an existing tenant and the rent which would be paid by a DPH client would only have a minor impact on overall rental revenues. If two existing tenants left two hotel rooms vacant each year thereby allowing replacement occupancy by two DPH clients, annual rental revenues would only decrease by an average of \$1,200 each year. Ms. Zmuda advises that this estimated differential would be absorbed by DPH's housing unit budget which is funded by Federal and private foundation grants, and the General Fund.

11. The proposed lease includes a clause "indemnifying and holding harmless the Landlord from, and agreeing to defend the Landlord against, any and all claims, costs and expenses, including without limitation, reasonable attorney's fees, incurred as a result of City's use of the premises, any default by the City in the performance of

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<sup>4</sup> The flat rate of \$350 per month is based on 40 of the 42 available units being rented to DPH clients at any one time, thereby allowing for vacancies between tenants, according to Mr. Trotz.

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

any of its obligations under the Master Lease, or any acts or omissions of City, its agents or its subtenants in, on or about the premises or property on which the premises are located." According to Ms. Amy Brown of the City Attorney's Office, these waivers are standard and pose minimal additional risk to the City. This provision would require the City to defend and pay damages assessed against the Lessor arising out of negligence by the City in the performance of the proposed contract. The City has entered into other agreements which include similar indemnification provisions and waivers, and the risk of additional liability to the City is minimal, according to Ms. Brown.

12. Mr. Mark Zuffo of DRE states that the proposed rent represents fair market value.

**Recommendation:** Approve the proposed resolution.

<b>LE NAIN HOTEL -SERVICES AND OPERATIONS BUDGET</b>
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<b>Support Services</b>		<b>Annual Budget</b>
Program Director (.5 FTE)		35,000
Activities Coordinator (1 FTE)		45,000.00
Case Manager (1 FTE)		45,000.00
Nurse (.5 FTE)		30,000.00
Social Worker (1 FTE)		45,000.00
<b>Sub Total</b>		<b>200,000.00</b>
<b>Property Management Services</b>		
Admin/Bookkeeper (1 FTE)		45,000.00
Janitor/Maintenance (1 FTE)		30,000.00
Nightime Security (.25 FTE)		15,000.00
Front Desk Clerk (1 FTE)		30,000.00
Admin/Bookkeeper (1 FTE)		34,000.00
<b>Sub Total</b>		<b>154,000.00</b>
<b>Operations</b>		
Utilities		75,000.00
<i>Electricity/Gas</i>	<i>36,000.00</i>	
<i>H2O/sewer</i>	<i>24,000.00</i>	
<i>Elevator Monthly Service</i>	<i>2,400.00</i>	
<i>Termite Control Service</i>	<i>1,500.00</i>	
<i>Garbage Collection</i>	<i>5,700.00</i>	
<i>Telephone Service</i>	<i>5,400.00</i>	
<i>Subtotal</i>	<i>75,000.00</i>	
<b>Furniture &amp; Equipment</b>		41,400.00
<i>Desks and Chairs (3 sets)</i>	<i>3,000.00</i>	
<i>Examination Table</i>	<i>4,000.00</i>	
<i>Xerox and Fax</i>	<i>7,500.00</i>	
<i>Sofa and coffee table</i>	<i>2,500.00</i>	
<i>Matresses and Beds</i>	<i>15,000.00</i>	
<i>Dressers and chairs</i>	<i>9,100.00</i>	
<i>Subtotal</i>	<i>41,100.00</i>	
Mntnce, Services & Repairs		80,000.00
Processing Fees/Credit Reprt		6,000.00
Maintenance Supplies		30,000.00
<b>Sub Total</b>		<b>232,400.00</b>
<b>TOTAL</b>		<b>586,400.00</b>

Item 12 – File 00-0576

**Department:** Recreation and Park Department (RPD)  
Department of Public Works (DPW)

**Item:** Ordinance appropriating \$984,850 of the Neighborhood Development Special Revenue Fund balance to fund the proposed Mid-Embarcadero Music Concourse, for the Department of Recreation and Park.

**Amount:** \$984,850

**Source of Funds:** Downtown Park Fund (see Comment No.6)

**Description:** In June of 1998, the Board of Supervisors approved a resolution (File No. 98-1096) urging the Planning Department, Department of Recreation and Park, Department of Public Works, and other relevant City departments, to develop a detailed proposal and identify funding sources for the construction of a music concourse and organ pavilion to be located within the open space area created by the demolition of the mid-section of Embarcadero Freeway. This open space area, which is now known as the Mid-Embarcadero Music Concourse site, is bound by Market Street to the north, Mission Street to the south, Steuart Street to the west, and the Embarcadero roadway to the east.

In July of 1999, the Board of Supervisors adopted a resolution, "approving and authorizing the appropriation of up to \$984,850 from the Downtown Park Special Fund" for landscape improvements to the Mid-Embarcadero Music Concourse site (File No. 99-1222). The Controller's Office is now requesting that this matter be brought before the Board of Supervisors as an ordinance, rather than a resolution, specifying an appropriation of \$984,850 for the Mid-Embarcadero Music Concourse.

**Budget:** The summary budget for the proposed project is as follows:



Memo to Finance and Labor Committee  
 April 19, 2000 Finance and Labor Committee Meeting

<b>Phase I</b>		
• Architectural and engineering services	\$80,000	
• Site construction, including preparation, paving, construction of retaining walls, landscaping, and electrical work	469,112	
• Construction contingency (10%)	46,911	
• DPW costs	<u>36,530</u>	
<i>Subtotal</i>		\$632,553
<b>Phase II (estimated)</b>		
• Architectural and engineering services	\$40,000	
• Site construction, including precast concrete work, electrical work and installation of planters	247,000	
• Construction contingency (10%)	25,000	
• DPW costs	<u>37,000</u>	
<i>Subtotal</i>		349,000
<b>Project Total</b>		<b>\$981,553</b>

The attached memorandum, provided by DPW, contains an explanation of the proposed budget. The proposed budget of \$981,553 is \$3,297 less than the requested appropriation of \$984,850. The Budget Analyst therefore recommends a reduction of the requested appropriation by \$3,297, from \$984,850 to \$981,553.

**Comments:**

1. According to Mr. Steve O'Sullivan of DPW, DPW would submit a change order to an existing contract with Stacy and Witbeck, Inc., the contractor which submitted the low bid to perform construction work on the Mid-Embarcadero project<sup>1</sup>, to perform the Phase I construction work. Mr. O'Sullivan states that such construction work includes: (a) site preparation, including excavation and treatment of

<sup>1</sup> The Mid-Embarcadero project includes roadway improvements, plaza and sidewalk construction, concrete and granite work, and landscaping along the Mid-Embarcadero roadway.

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

potentially hazardous soil, (b) site paving, (c) construction of concrete seats and wall, (d) planting of lawn, and (e) the installation of lighting fixtures within the Mid-Embarcadero Music Concourse site.

2. DPW has provided the Budget Analyst with a copy of the Human Rights Commission letter of certification verifying that Stacy and Witbeck, Inc., which is a joint venture with Dillingham Construction, Inc. to perform construction work on the Mid-Embarcadero project, employs subcontractors which qualify as Minority and Women Owned Business Enterprises.

3. Mr. O'Sullivan states that DPW would select contractors to perform the Phase II construction work through a competitive bidding process. Such work includes installation of a precast concrete railing, installation of planters, and additional electrical work. The Budget Analyst recommends that \$309,000 for Phase II construction costs (\$349,000 less \$40,000 for architectural and engineering services) be reserved, pending selection of a contractor and submission of budget details.

4. According to Ms. Deborah Learner of RPD, architectural and engineering services would be performed by Roma Designs, Inc., which was selected through a competitive Request for Proposal process to perform architectural and engineering services for the Mid-Embarcadero project.

5. Ms. Learner states that the subject construction work does not include the construction of an organ pavilion. According to Ms. Learner, a pavilion would be constructed at a later date and is expected to be funded through private donations.

6. In 1985, the Board of Supervisors amended the City's Municipal Code (Planning Code) to add Section 139. Section 139 established the Downtown Park Fund, which provides a source of funds for the acquisition and development of public recreation and park facilities for the daytime population in

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

downtown San Francisco. According to the Planning Code, the Recreation and Park and Planning Commissions have the joint responsibility of administering and allocating funds from the Downtown Park Fund for the acquisition and development of public recreation and park facilities.

The Budget Analyst recommends that the title of the subject ordinance be amended, to delete the reference from "Neighborhood Development Special Revenue Fund" and substitute "Downtown Park Fund".

7. According to the Controller's Office, as of April 13, 2000, the balance of the Downtown Park Fund is \$1,765,294, which is \$780,444 more than the subject appropriation of \$984,850.

**Recommendations:**

1. Amend the proposed ordinance to delete "Neighborhood Development Special Revenue Fund" and substitute "Downtown Park Fund", as noted in Comment No. 6.

2. Amend the proposed ordinance to reduce the appropriation by \$3,297, from \$984,850 to \$981,553.

3. Of the \$981,553 appropriation, reserve \$309,000 for Phase II construction, as noted in Comment No. 3.

4. Approve the proposed ordinance as amended.

## City and County of San Francisco



Willie Lewis Brown, Jr., Mayor  
Mark A. Primeau, Architect, AIA, Director



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<http://www.sfdpw.com>

Department of Public Works  
Project Management Division  
30 Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, CA 94102-6020  
Kathryn How, Assistant City Engineer

## MEMORANDUM

To: Severin Campbell  
Budget Analyst

Date: April 13, 2000

From: Steve O'Sullivan *SO*  
Project Manager

RE: Mid Embarcadero  
Music Concourse

As requested, we are providing budget information for the Mid Embarcadero Music Concourse. A design had been proposed for the Mid Embarcadero Music Concourse by the Recreation and Park Department. The Mid Embarcadero Roadway and F-Line Extension Project that is currently under construction included some work in the proposed Music Concourse site. Stacy and Witbeck, Inc is the general contractor for the Mid Embarcadero Project. A change order has been proposed for the Mid Embarcadero Project to construct a portion of the Music Concourse work. The change order would result in savings since items that would have been constructed under the original Mid Embarcadero Project's plans would not need to be redone in the near future by the Music Concourse Project. Some items that would not be beneficial to be constructed at this time are excluded from the proposed change order. This includes items with long lead times for materials, that would not be available until after the completion of the Mid Embarcadero Project. The following is a summary of the proposed budget for the Music Concourse.

## Budget for Proposed Change Order to Mid Embarcadero:

Architectural and Engineering Services	\$ 80,000
Construction Change Order to	
Stacy and Witbeck, Inc Contract	\$ 469,112
Construction Contingency (10%)	\$ 46,911
DPW-Bureau of Construction Management Costs	\$ 36,530
 Total Cost for Proposed Change Order Work	 \$ 632,553

Severin Campbell  
April 13, 2000  
Page 2 of 2

The items for the proposed music concourse that are excluded from the proposed change order are the following:

Electrical Work	\$110,000
Precast Concrete Work	\$ 75,000
Planters	\$ 35,000
 Total Excluded items	 \$220,000

It should be noted that if these excluded items are packaged into a separate construction contract, an increase to the above costs would occur due to additional mobilization and overhead costs that would be incurred by a contractor. This increase is estimated at approximately twelve percent. Thus, the construction costs for this work should be increased to \$247,000. A proposed budget for the additional work that could be constructed at as a second phase would be as follows:

Architectural and Engineering Services	\$ 40,000
Construction	\$ 247,000
Construction contingency	\$ 25,000
DPW-Bureau of Construction Management costs	\$ 37,000
 Total Project Cost for Second Phase Work	 \$ 349,000

I hope the above clarifies the Music Concourse costs. Feel free to call me at 558-4047 if you need additional information.

cc: Fernando Cisneros, DPW  
Deborah Learner, Rec. Park

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting  
Item 13 - File 00-0186

**Department:** Department of Administrative Services (DAS)

**Item:** Hearing to consider applications from various agencies to participate in the 2000 Joint Annual Fundraising Drive.

**Description:** Section 16.93-3 of the Administrative Code requires the Department of Administrative Services (a) to review all applications from charitable organizations which request to participate in the City's Annual Joint Fundraising Drive, and (b) to recommend to the Board of Supervisors charitable organizations which qualify to participate in the City's Annual Joint Fundraising Drive in accordance with criteria set forth in Section 16.93-2 of the Administrative Code.

The Department of Administrative Services reports that it has reviewed the applications from nine charitable organizations that have applied to participate in the City's 2000 Annual Joint Fundraising Drive in accordance with the criteria delineated in Section 16.93-2 of the Administrative Code. The Department of Administrative Services reports that all nine charitable organizations comply with the Section 16.93-2 criteria and recommends that all nine organizations be approved to participate in the City's 2000 Annual Joint Fundraising Drive. The summary of findings reported by the Department of Administrative Services is contained in the Attachment to this report.

Section 16.93-4 of the Administrative Code also requires, pending final passage by Board of Supervisors (File 00-0479), that the Board of Supervisors designate, by resolution, prior to May 1, 2000, those agencies that qualify to participate in the 2000 Annual Joint Fundraising Drive. The nine charitable organizations that have applied and been recommended by the Department of Administrative Services to participate in the City's 2000 Annual Joint Fundraising Drive are as follows:

- Bay Area Black United Fund, Inc.
- Community Health Charities of California (formerly Combined Health Appeal of California)
- Earth Share of California (formerly Environmental Federation of California, Inc.)
- Local Independent Charities



Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting

- International Service Agencies
- Mayor's Fund for the Homeless
- The San Francisco Youth Fund (formerly the Mayor's Youth Fund)
- United Way of the Bay Area
- The Mayor's Youth Employment for the Summer Fund (for which the Private Industry Council serves as fiscal agent)

**Comments:**


1. Section 16.93-1 of the San Francisco Administrative Code states that deductions from employee pay warrants for charitable organizations shall only be withheld based upon authorizations made by employees in the Annual Joint Fundraising Drive.

2. According to Ms. Jill Lerner of DAS, all of the organizations listed above participated in the City's 1999 Annual Joint Fundraising Drive.

3. According to Mr. Ted Lakey of the City Attorney's Office, one of the criteria for organizations participating in the Annual Joint Fundraising Drive is that the organizations are able to receive tax-deductible donations, as verifiable by the Internal Revenue Service (IRS). In practice, this means that these organizations must either have the IRS 501c3 certification as non-profit organizations or be government agencies. Further, in the event that a participating organization has a fiscal agent, it is sufficient that that fiscal agent have 501c3 standing or be a government agency, and, in that case, it is not necessary that the participating organization have 501c3 standing or be a government agency. According to Ms. Lerner of DAS, the Private Industry Council, which is the fiscal agent for the Mayor's Youth Employment for the Summer Fund, meets this criterion.

**Recommendation:** Prepare in and report out a resolution designating the nine qualifying charitable organizations, as recommended by the Department of Administrative Services, to participate in the City's 2000 Annual Joint Fundraising Drive.

Memo to Finance and Labor Committee  
April 19, 2000 Finance and Labor Committee Meeting



Harvey M. Rose

cc: Supervisor Yee  
Supervisor Bierman  
President Ammiano  
Supervisor Becerril  
Supervisor Brown  
Supervisor Katz  
Supervisor Kaufman  
Supervisor Leno  
Supervisor Newsom  
Supervisor Teng  
Supervisor Yaki  
Clerk of the Board  
Controller  
Legislative Analyst  
Erin McGrath  
Stephen Kawa  
Ted Lakey

SUMMARY OF FINDINGS  
2000 Review of Applications  
To Participate in Annual Joint Fundraising Drive

SUMMARY OF METHODOLOGY AND FINDINGS

Our review consisted of an examination of the materials provided in File 000186 and telephone conversations with representatives from applicant organizations. We were advised by Deputy City Attorney Ted Lakey that telephone inquiries were appropriate to clarify information supplied by the applicants. This is the same method we have used in past years to prepare this report to the Board of Supervisors.

All eight organizations that applied for participation in the 1999 Joint Fundraising Drive were in compliance with the criteria established by the Board of Supervisors as delineated in the Administrative Code.

CRITERIA

Following is a list of the criteria established by the Board of Supervisors and information as to how the applicants met each requirement. New legislation enacted in 1997 includes in the Annual Joint Fundraising Drive any Mayor's fund which is created to further social causes. Under Administrative Code Section 16.93-2, only subsections (b), (c) and (e) apply to the Mayor's funds. All other agencies must satisfy subsections (a) through (d).

Criterion A: Be a federated agency representing ten (10) or more charitable organizations of which 50 percent shall represent organizations located in the counties of San Francisco, San Mateo, Santa Clara, Alameda, Contra Costa and Marin.

According to the City Attorney, "located in the counties" may be defined as having offices, fundraising or otherwise doing business in those counties

1. Bay Area Black United Fund, Inc

Bay Area Black United Fund, Inc. represents over 25 organizations, all of which are located in the Bay Area

2. Community Health Charities of California

Community Health Charities represents 40 national health organizations of which 50 percent or more are located in the Bay Area.

Summary of Findings  
2000 Review of Applications  
Page 2 of 4

3. Earth Share of California (Environmental Federation of California)

Earth Share of California represents over 75 organizations of which 50 percent or more are located in the Bay Area.

4. Local Independent Charities (LIC)

Local Independent Charities represents over 150 organizations of which 50 percent or more are located in the Bay Area.

5. International Service Agencies (ISA)

International Service Agencies represents more than 40 charities of which 50 percent are located in the Bay Area.

6. United Way of the Bay Area

United Way of the Bay Area represents 1500 charities, 50 percent of which are located in the Bay Area.

Criterion B: The federated agency or Mayor's fund must certify to the Board of Supervisors that the Federal Internal Revenue Service has determined that contributions to all of the represented charitable organizations or Mayor's funds are tax deductible.

Based on consultation in years past with the City Attorney, we have concluded that all the applicants complied with this requirement.

Criterion C: The federated agency must have been in existence with 10 or more qualified charities for at least one year prior to the date of application and provide satisfactory evidence to that effect at the time of filing an application with the Board. Mayor's funds shall submit their most recent financial statement to the Board of Supervisors on an annual basis.

This criterion was met by all agencies.

Summary of Findings  
2000 Review of Applications  
Page 3 of 4

Criterion D: The federated agency must submit its most recent certified audit at the time of filing an application with the Board.

All agencies provided these documents, as detailed below:

1. Bay Area Black United Fund, Inc. provided financial statements dated December 31, 1998 with an accompanying Auditors' Report by Grant & Smith, LLP, dated May 18, 1999.
2. Community Health Charities of California provided financial statements for the year ended June 30, 1999 with the Independent Auditors' Report prepared by Rooney, Ida, Nolt and Ahern, CPAs, dated August 15, 1999.
3. Earth Share of California provided a statement of financial position for the year ended September 30, 1998 and an Auditors's Report dated February 4, 1999 by Bregante & Company, LLP
4. Local Independent Charities provided Statements of Activities for the year ended April 30, 1999 along with the Independent Auditor's Report by Maze & Associates Accountancy Corporation dated October 20, 1999.
5. International Service Agencies provided financial statements dated June 30, 1999 and 1998 along with the Independent Auditor's Report by Lang Group, Chartered dated August 18, 1999
6. United Way of the Bay Area provided combined financial statements for 1998 and 1999 (June 30, 1999) and a report of independent certified public accountants Grant Thornton LLP dated October 19, 1999
7. Mayor's Homeless Fund, created by ordinance (Administrative Code Section 10.117-33), provided a balance statement dated December 16, 1999.
8. Mayor's Youth Employment for the Summer Fund (YES) is served by the Private Industry Council ("PIC") as its fiscal agent. The PIC submitted audited financial statements for the two year period ended June 30, 1997 with an Independent Auditor's Report by Izabal, Bernaciak & Company dated June 26, 1998. In addition, the PIC submitted a current financial statement for the "Say Yes," account.

Summary of Findings  
2000 Review of Applications  
Page 4 of 4

9. The San Francisco Youth Fund is served by the Every Child Can Learn Foundation as its fiscal agent. The Foundation provided financial statements dated June 30, 1999 and 1998 and an Independent Auditors report dated August 6, 1999 from Hood & Strong LLP. It also provided a Statement of Operating Activity As of 2/29/00.

Criterion E: Agencies that wish to participate in the Annual Drive are required to submit applications to the Board of Supervisors that include all information that may be relevant to the criteria listed in the Section.

As stated earlier in this report, the City Attorney advised that the applications may be considered complete although clarification may have been necessary to conduct this review.

All applicants provided documentation in their letters of application to the Board of Supervisors or confirmed by telephone that they are in compliance with the requirements of Section 16.93-2 which constitutes "certification."

Therefore, all applicants were in compliance with Criterion E.







City and County of San Francisco  
Meeting Minutes  
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

City Hall  
1 Dr. Carlton B.  
Goodlett Place  
San Francisco, CA  
94102-4689

Wednesday, April 26, 2000

10:00 AM

City Hall, Room 263

**Regular Meeting**

**Members Present:** Leland Y. Yee, Tom Ammiano.

**Members Absent:** Sue Bierman.

**Meeting Convened**

*The meeting convened at 10:09 a.m.*

**991963 [Conditional Use Authorization for Video Store]**

**Supervisors Yee, Ammiano**

Ordinance amending Planning Code by amending each of the Neighborhood Commercial District Zoning Control Tables in Article 7 to require video stores to obtain conditional use authorization in all neighborhood commercial districts and adding Section 790.135 to define "video store"; adopting findings pursuant to Planning Code Section 101.1.

(Adds Section 790.135; amends Article 7 Tables.)

(4/11/00, City Planning Resolution No. 15019 adopted April 6, 2000, recommending approval of the proposed amendments to the City Planning Code dated 1/10/00. Determined to be categorically exempt from environmental review as a General Rule Exclusion pursuant to State CEQA Guidelines.)

10/18/99, ASSIGNED UNDER 30 DAY RULE to Transportation and Land Use Committee, expires on 11/17/1999. 10/22/99 Transmitted to Planning for Hearing and Recommendation

2/7/00, SUBSTITUTED. Submitted by Supervisor Yee in Board, bearing same title.

2/7/00, ASSIGNED UNDER 30 DAY RULE to Transportation and Land Use Committee, expires on 3/8/2000. 3/16/00 Transmitted to Planning for Hearing and Recommendation.

4/12/00, TRANSFERRED to Finance and Labor Committee. Transferred pursuant to memo dated April 6, 2000.

*Heard in Committee. Speakers: Supervisor Yee; Paul Rosetter, City Planning Department; Chris Dittenhafer, Council of District Merchants; Rae Doyle, Greater West Portal; Elizabeth M., Miraloma Park; Garrett Jenkins, North of Market Planning Coalition.*

**RECOMMENDED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

DOCUMENTS DEPT.

MAY 01 2000

SAN FRANCISCO  
PUBLIC LIBRARY

**000524 [Authorizing expenditure of funds estimated at \$4,210,000 for emergency repair of San Joaquin Pipeline No. 3]**

Resolution authorizing expenditure of funds for emergency repair of corrosion in San Joaquin Pipeline No. 3 of the Hetch Hetchy Aqueduct. (Public Utilities Commission)

(Fiscal impact.)

3/22/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

4/19/00, CONTINUED Continued to April 26, 2000.

*Continued to May 3, 2000, at request of department*

**CONTINUED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000676 [Neighborhood Park General Obligation Bond Issuance]**

Resolution providing for the issuance of not to exceed \$110,000,000 aggregate principal amount of City and County of San Francisco General Obligation Bonds (Neighborhood Recreation and Park Facilities Improvement Bonds, 2000), including the issuance of an initial series thereof in the aggregate principal amount of not to exceed \$6,180,000 and designated as the City and County of San Francisco General Obligation Bonds (Neighborhood Recreation and Park Facilities Improvement Bonds, 2000), Series 2000C; authorizing the execution, authentication and registration of said Bonds; providing for the levy of a tax to pay the principal and interest thereof; providing for the appointment of depositories and other agents for said Bonds; providing for the establishment of accounts related thereto; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said Bonds. (Mayor)

4/12/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in Committee Speakers: Harvey Rose, Budget Analyst; Supervisor Yee, Dave Sanchez, Deputy City Attorney; Sarah Hollenbeck, Mayor's Office of Public Finance; Supervisor Ammiano; Elizabeth Goldstein, Director, Operation and Planning, Recreation and Park Department; Dr. Phil Day, Chancellor, S.F. City College; Bob Delesso, S.F. Zoo; Supervisor Ammiano*

**RECOMMENDED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000679 [Neighborhood Park General Obligation Bond Sale]**

Resolution authorizing and directing the sale of not to exceed \$6,180,000 City and County of San Francisco General Obligation Bonds (Neighborhood Recreation and Park Facilities Improvement Bonds, 2000), Series 2000C; prescribing the form and terms of said Bonds; authorizing the execution, authentication and registration of said Bonds; providing for the appointment of depositories and other agents for said Bonds; providing for the establishment of accounts related thereto; approving the forms of official notice of sale and notice of intention to sell Bonds; directing the publication of the notice of intention to sell Bonds; approving the form and execution of the official statement relating thereto; approving the form of the continuing disclosure certificate; approving the modifications to documents; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said Bonds. (Mayor)

4/12/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Yee, Dave Sanchez, Deputy City Attorney; Sarah Hollenbeck, Mayor's Office of Public Finance; Supervisor Ammiano; Elizabeth Goldstein, Director, Operation and Planning, Recreation and Park Department; Dr. Phil Day, Chancellor, S.F. City College; Bob Delesso, S.F. Zoo; Supervisor Ammiano. Amendment of the Whole*

**AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.**

**RECOMMENDED AS AMENDED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000677 [Community College General Obligation Bond Sale]**

Resolution authorizing and directing the sale of not to exceed \$29,605,000 City and County of San Francisco General Obligation Bonds (Educational Facilities Bonds, 1997 - Community College District), Series 2000A; prescribing the form and terms of said Bonds; authorizing the execution, authentication and registration of said Bonds; providing for the appointment of depositories and other agents for said Bonds; providing for the establishment of accounts related thereto; approving the forms of official notice of sale and notice of intention to sell Bonds; directing the publication of the notice of intention to sell Bonds; approving the form and execution of the official statement relating thereto; approving the form of the continuing disclosure certificate; approving modifications to documents; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said Bonds. (Mayor)

4/12/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Yee; Dave Sanchez, Deputy City Attorney; Sarah Hollenbeck, Mayor's Office of Public Finance; Supervisor Ammiano; Elizabeth Goldstein, Director, Operation and Planning, Recreation and Park Department; Dr. Phil Day, Chancellor, S.F. City College; Bob Delesso, S.F. Zoo; Supervisor Ammiano. Amendment of the Whole.*

**AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.****RECOMMENDED AS AMENDED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000678 [Zoo General Obligation Bond Sale]**

Resolution authorizing and directing the sale of not to exceed \$17,440,000 City and County of San Francisco General Obligation Bonds (Zoo Facilities Bonds, 1997), Series 2000B; prescribing the form and terms of said Bonds; authorizing the execution, authentication and registration of said Bonds; providing for the appointment of depositories and other agents for said Bonds; providing for the establishment of accounts related thereto; approving the forms of official notice of sale and notice of intention to sell Bonds; directing the publication of the notice of intention to sell Bonds; approving the form and execution of the official statement relating thereto; approving the form of the continuing disclosure certificate; approving modifications to documents; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said Bonds. (Mayor)

4/12/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Yee; Dave Sanchez, Deputy City Attorney; Sarah Hollenbeck, Mayor's Office of Public Finance; Supervisor Ammiano; Elizabeth Goldstein, Director, Operation and Planning, Recreation and Park Department; Dr. Phil Day, Chancellor, S.F. City College; Bob Delesso, S.F. Zoo; Supervisor Ammiano. Amendment of the Whole.*

**AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.****RECOMMENDED AS AMENDED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000432 [Requirements Suspended for Certain Transient Merchants]****Supervisor Leno**

Ordinance amending Article 3 of Part III of the San Francisco Municipal Code, by amending Section 250, excepting certain transient merchants that operate at Moscone Center or the Bill Graham Civic Auditorium and agree to comply with all the City and County of San Francisco's rules from the licensing and fee requirements otherwise applicable to transient merchants under Article 3; and enabling enforcement by means of citation.

(Amends Section 250.)

3/13/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 4/12/2000

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Marti Paschal, Supervisor Leno's Aide, Jack Moerschbaeche, Director, S.F. Convention Facilities, Supervisor Ammiano, Susan Leal, Treasurer, Richard Sullivan; Supervisor Yee. Continued to May 3, 2000*

**CONTINUED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000433 [Amendment to Definition of Transient Merchant - Temporary Business]****Supervisor Leno**

Ordinance amending Article 3 of Part III of the San Francisco Municipal Code, by amending Section 251, defining the term temporary business to mean a business conducted for less than seven days, and excluding pumpkin sellers from the definition of transit merchant

(Amends Section 251.)

3/13/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 4/12/2000

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Marti Paschal, Supervisor Leno's Aide, Jack Moerschbaeche, Director, S.F. Convention Facilities, Supervisor Ammiano, Susan Leal, Treasurer, Richard Sullivan; Supervisor Yee. Continued to May 3, 2000*

**CONTINUED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000434 [Requirements Suspended for Certain Transient Merchants]****Supervisor Leno**

Ordinance amending Article 3 of Part III of the San Francisco Municipal Code, by amending Section 252, excepting certain transient merchants that operate at Moscone Center or the Bill Graham Auditorium and agree to comply with all the City and County of San Francisco's rules from the requirement that they apply for a license under Article 3.

(Amends Section 252.)

3/13/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 4/12/2000

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Marti Paschal, Supervisor Leno's Aide, Jack Moerschbaeche, Director, S.F. Convention Facilities, Supervisor Ammiano, Susan Leal, Treasurer, Richard Sullivan; Supervisor Yee. Continued to May 3, 2000*

**CONTINUED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000435 [Fee Reduction During Suspension Period]****Supervisor Leno**

Ordinance amending Article 3 of Part III of the San Francisco Municipal Code, by amending Section 253, reducing the fees payable by transient merchants during the suspension period.

(Amends Section 253.)

3/13/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 4/12/2000.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Marti Paschal, Supervisor Leno's Aide; Jack Moerschbaeche, Director, S.F. Convention Facilities; Supervisor Ammiano; Susan Leal, Treasurer; Richard Sullivan; Supervisor Yee. Continued to May 3, 2000.*

**CONTINUED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000436 [Requirements Suspended for Certain Transient Merchants Tax Return Filing]****Supervisor Leno**

Ordinance amending Article 3 of Part III of the San Francisco Municipal Code, by amending Section 254, exempting those certain transient merchants that operate at Moscone Center or the Bill Graham Civic Auditorium and agree to comply with all the City and County of San Francisco's rules from the tax return filing requirement otherwise applicable to transient merchants under Article 3; and exempting all other transient merchants from such tax return filing requirement during the suspension period.

(Amends Section 254.)

3/13/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 4/12/2000.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Marti Paschal, Supervisor Leno's Aide; Jack Moerschbaeche, Director, S.F. Convention Facilities; Supervisor Ammiano; Susan Leal, Treasurer; Richard Sullivan; Supervisor Yee. Continued to May 3, 2000.*

**CONTINUED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000437 [Requirements Suspended for Certain Transient Merchants]****Supervisor Leno**

Ordinance amending Article 3 of Part III of the San Francisco Municipal Code, by amending Section 255, exempting those certain transient merchants that operate at Moscone Center or the Bill Graham Civic Auditorium and agree to comply with all the City and County of San Francisco's rules from the bonding requirement otherwise applicable to transient merchants under Article 3.

(Amends Section 255.)

3/13/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 4/12/2000.

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Marti Paschal, Supervisor Leno's Aide; Jack Moerschbaeche, Director, S.F. Convention Facilities; Supervisor Ammiano; Susan Leal, Treasurer; Richard Sullivan; Supervisor Yee. Continued to May 3, 2000.*

**CONTINUED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman



**000438 [Elimination of Penalty During Suspension Period - Violation of Article 3]****Supervisor Leno**

Ordinance amending Article 3 of Part III of the San Francisco Municipal Code, by amending Section 257, eliminating the penalty on transient merchants that violate the provisions of Article 3 during the suspension period.

(Amends Section 257.)

3/13/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 4/12/2000

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Marti Paschal, Supervisor Leno's Aide; Jack Moerschbaecher, Director, S.F. Convention Facilities; Supervisor Ammiano, Susan Leal, Treasurer; Richard Sullivan; Supervisor Yee. Continued to May 3, 2000*

**CONTINUED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000439 [Requirements Suspended for Certain Transient Merchants - Licensing Requirements]****Supervisor Leno**

Ordinance amending Article 3 of Part III of the San Francisco Municipal Code, by amending Section 258, exempting those certain transient merchants that operate at Moscone Center or the Bill Graham Auditorium and agree to comply with all the City and County of San Francisco's rules from the licensing requirements otherwise applicable to transient merchants under Article 3

(Amends Section 258.)

3/13/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 4/12/2000

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Marti Paschal, Supervisor Leno's Aide; Jack Moerschbaecher, Director, S.F. Convention Facilities; Supervisor Ammiano, Susan Leal, Treasurer; Richard Sullivan; Supervisor Yee. Continued to May 3, 2000.*

**CONTINUED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000598 [Sewer Replacement, 4th Street]**

Resolution approving the expenditure of funds for the emergency work to replace the structurally inadequate sewer on 4th Street between Bryant Street and Brannan Street - \$542,540. (Public Utilities Commission)

4/4/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Christine Tang, Department of Public Works*

**RECOMMENDED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

- 000606 [Acquisition of noise easements for the purpose of satisfying a part of State-mandated noise mitigation requirements]**  
Resolution authorizing the acquisition of 1,764 noise easements located in the cities of Daly City (1,260) and San Bruno (490) and in unincorporated San Mateo County (14) with funding provided by the Airport's Commercial Paper Program up to a total of \$34.2 million dollars. (Real Estate Department)
- (Fiscal impact.)  
4/4/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.
- Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Tony DeLucchi, Department of Real Estate.*
- RECOMMENDED by the following vote:**  
Ayes: 2 - Yee, Ammiano  
Absent: 1 - Bierman
- 000609 [Acquisition of noise easements for the purpose of satisfying a part of State-mandated noise mitigation requirements]**  
Resolution authorizing the acquisition of 318 noise easements from property owners located in the cities of Pacifica (70), Daly City (26), San Bruno (53), South San Francisco (155) and San Mateo County (14) as part of the Airport Master Plan Memorandum of Understanding between the Airport and its neighboring communities for 2000/2001. (Real Estate Department)
- 4/4/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.
- Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Tony DeLucchi, Department of Real Estate.*
- RECOMMENDED by the following vote:**  
Ayes: 2 - Yee, Ammiano  
Absent: 1 - Bierman
- 000610 [Withdrawal of one property owner in San Mateo County from noise insulation program and delivery of quitclaim deed to said property owner]**  
Resolution authorizing the conveyance of one (1) quitclaim deed to a property owner in the City of Pacifica to rescind a grant of easement (noise easement deed) previously acquired by San Francisco. (Real Estate Department)
- 4/4/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.
- Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Tony DeLucchi, Department of Real Estate.*
- RECOMMENDED by the following vote:**  
Ayes: 2 - Yee, Ammiano  
Absent: 1 - Bierman
- 000613 [Lease of property across the New Main Library for the Dept. of the Environment's Eco Center which will provide public outreach and education on local environmental issues]**  
Resolution authorizing a lease at 1212 Market Street for the Department of the Environment and accepting donations of materials and services. (Real Estate Department)
- 4/5/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.
- Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Tony DeLucchi, Department of Real Estate; Bill Lee, City Administrator; Supervisor Ammiano; Mark Weston, Department of the Environment; Erin McGrath, Mayor's Budget Office.*
- RECOMMENDED by the following vote:**  
Ayes: 2 - Yee, Ammiano  
Absent: 1 - Bierman

**000464 [Appropriating funds for the installation of an air conditioning system at the Chinatown Branch Library]****Supervisors Newsom, Becerril**

Ordinance appropriating \$205,537 of Public Library capital improvement Bond interest earnings to capital improvement projects (Branch Library improvement - Chinatown renovations) for the Public Library for fiscal year 1999-2000. (Controller)

(Fiscal impact.)

3/15/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in Committee. Speakers: Susan Hildreth, Acting City Librarian; James Chafee, Peter Warfield; Milton Owyang; Supervisor Yee.*

**RECOMMENDED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000615 [Appropriating funds for books, computer equipment, software, electrical upgrades in the branch libraries and furniture/fixtures to support the Ingleside Branch]**

Ordinance appropriating \$857,878 of Library Preservation Funds for relocation of the Ingleside Branch Library, renovation of electrical systems in the branch libraries, and to purchase books, computer equipment and software, materials and supplies, furniture and fixtures and equipment for various library locations, for fiscal year 1999-2000. (Controller)

4/5/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Susan Hildreth, Acting City Librarian, James Chafee, Peter Warfield, Ed Harrington, Controller, Supervisor Yee. Amended to place \$145,000 on reserve*  
**AMENDED.**

Ordinance appropriating \$857,878 of Library Preservation Funds for relocation of the Ingleside Branch Library, renovation of electrical systems in the branch libraries, and to purchase books, computer equipment and software, materials and supplies, furniture and fixtures and equipment for various library locations, for fiscal year 1999-2000; placing \$145,000 on reserve. (Controller)

(Fiscal impact.)

**RECOMMENDED AS AMENDED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000623 [Prop J, Contracting Out Security Guard Services]**

Resolution concurring retroactively with the Controller's determination that security guard services can practically be performed at the Bureaus of Engineering and Construction Management Offices at 1680 Mission Street by private contractor for a lower cost than if the services were performed by City employees. (Public Works Department)

4/6/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

*Heard in Committee. Speakers: Ken Bruce, Budget Analyst*

**RECOMMENDED by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**000716 [Possible Closure of Newcomer High School]****Supervisor Yee**

Hearing to discuss the future of Newcomer High School, which the San Francisco Unified School District is considering to close down.

4/17/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

*Heard in Committee. Speakers: Supervisor Yee; Eddie Chin, Commissioner, Board of Education; Tim Tronson, S.F. Unified School District; Fong Kwok Chun, PTA, Newcomer School; Mario Delgado; Frank Messenger, Teacher, Newcomer School; Jose Esponzo; Jennefer Berger, Partners in Learning; Jessica Young; Greg Collins, Teacher; Supervisor Ammiano.*

**CONTINUED TO CALL OF THE CHAIR by the following vote:**

Ayes: 2 - Yee, Ammiano

Absent: 1 - Bierman

**ADJOURNMENT**

*The meeting adjourned at 12:42 p.m.*



254

6/00

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

April 20, 2000

DOCUMENTS DEPT.

TO: Finance and Labor Committee

APR 24 2000

FROM: Budget Analyst

SAN FRANCISCO  
PUBLIC LIBRARY

SUBJECT: April 26, 2000 Finance and Labor Committee Meeting

Item 2 - File 00-0524

**Note:** This item was continued by the Finance and Labor Committee at its meeting of April 19, 2000.

**Department:** Public Utilities Commission (PUC)  
Hetch Hetchy Water and Power

**Item:** Resolution authorizing the expenditure of funds estimated at \$4.210,000 for emergency repair of corrosion in the San Joaquin Pipeline No. 3 of the Hetch Hetchy Aqueduct.

**Comment:** Mr. Larry Klein of the PUC has requested that the proposed resolution be continued for one week.

**Recommendation:** Continue this resolution for one week as requested by Mr. Klein.

BOARD OF SUPERVISORS  
BUDGET ANALYST



Items 3 and 4 – Files 00-0676 and 00-0679

**Department:** Recreation and Park Department (RPD)

**Items:** Item 3, File No. 00-0676: Resolution providing for the issuance of not to exceed \$110,000,000 aggregate principal amount of City and County of San Francisco General Obligation Bonds (Neighborhood Recreation and Park Facilities Improvement Bonds, 2000), including the issuance of an initial series thereof in the aggregate principal amount of not to exceed \$6,180,000 and designated as the City and County of San Francisco General Obligation Bonds (Neighborhood Recreation and Park Facilities Improvement Bonds, 2000), Series 2000C; authorizing the execution, authentication and registration of said bonds; providing for the levy of a tax to pay the principal and interest thereof; providing for the appointment of depositories and other agencies for said bonds; providing for the establishment of accounts related thereto; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, and sale and delivery of said bonds.

Item 4, File No. 00-0679: Resolution authorizing and directing the sale of not to exceed \$6,180,000 City and County of San Francisco General Obligation Bonds (Neighborhood Recreation and Park Facilities Improvement Bonds, 2000), Series 2000C, which would be the initial series of the bonds; prescribing the form and terms of said bonds; providing for the appointment of depositories and their agencies for said bonds; providing for the establishment of accounts related thereto; approving the forms of Official Notice of Sale and Notice of Intention to Sell bonds; directing the publication of the Notice of Intention to Sell Bonds; approving the form and execution of the Official Statement relating thereto; approving the form of the Continuing Disclosure Certificate; approving modifications to documents; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said bonds.

**Amounts:** Amounts for the issuance and sale of the Neighborhood Recreation and Park Facilities Improvement Bonds, 2000 covered by the subject resolutions are as follows:

Description	Amount
<b>Item 3, File 00-0676</b> Authorization for Issuance of General Obligation Neighborhood Recreation and Park Facilities Improvement Bonds	\$110,000,000
<b>Item 4, File 00-0679</b> Authorization for Sale of the Initial Series of the above General Obligation Neighborhood Recreation and Park Facilities Improvement Bonds (Series 2000C)	\$6,180,000

**Description:** In March of 2000, San Francisco voters approved the issuance of \$110,000,000 in General Obligation Bonds, known as the Neighborhood Recreation and Park Facilities Improvement Bonds, to provide for the acquisition, construction and/or reconstruction of neighborhood recreation and park facilities and properties. Item 3, File No. 00-0676 would establish the general terms and procedures for the issuance of the Neighborhood Recreation and Park Facilities Improvements Bonds, and Item 4, File No. 00-0679 would provide specific approval to sell the initial series of said bonds, in an aggregate principal amount of up to \$6,180,000 (Series 2000C).

**Item 3, File 00-0676**

The proposed resolution would authorize the issuance of an aggregate principal amount not to exceed \$110,000,000 of Neighborhood Recreation and Park Facilities Improvement Bonds, 2000, for the acquisition, construction and/or reconstruction of neighborhood recreation and park facilities and properties.

General provisions regarding the proposed issuance of the Neighborhood Recreation and Park Facilities Improvement Bonds are as follows:

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

- The bonds shall be divided into series, as authorized by the Board of Supervisors.
- An initial series of Bonds in the aggregate principal amount of up to \$6,180,000 (Series 2000C) would be created and established (see below, Item 4, File 00-0679, for the specific provisions of the said series).
- Property taxes collected to redeem the bonds would be deposited in the special funds account, which would be created specifically for this purpose.
- The proceeds of the sale of the bonds would be deposited into a Project Account, maintained by the City Treasurer, and would be applied exclusively to the projects approved under the subject Bond.
- The City Treasurer may appoint fiscal agents or financial institutions to distribute bond interest and principal payments.
- The Board of Supervisors may, by resolution, authorize and direct the sale of any series of bonds to provide for the defeasance of such series bonds.

**Item 4, File No. 00-0679**

The proposed resolution would authorize and direct the sale of the initial series of the Neighborhood Recreation and Park Facilities Improvement Bonds, 2000 (Series 2000C) in a principal amount not to exceed \$6,180,000. The proposed resolution would also approve the form and terms of the documents and official notices related to the sale, and authorize City officials to take various actions necessary to carry out the sale of bonds.

The Recreation and Park Department proposes to expend the estimated \$6,180,000 in bond proceeds as follows:

Memo to Finance and Labor Committee  
 April 26, 2000 Finance and Labor Committee Meeting

Project	Design	Construction /Acquisition	Total
Acquired Natural Areas		\$500,000	\$500,000
Aptos Playground	\$160,000		160,000
Chinese Rec Center	800,000		800,000
Dog Parks	150,000	150,000	300,000
Erosion Control	100,000	400,000	500,000
Esprit Park		800,000	800,000
Helen Wills Clubhouse	81,744		81,744
Mission Playground			
Clubhouse (ADA)		200,000	200,000
North Beach Clubhouse		400,000	400,000
Randall Museum	650,000	700,000	1,350,000
Variety of Improvements of Disability Access	75,000	525,000	600,000
Youngbloods Soccer Field		450,000	450,000
<b>Total Project Costs</b>	<b>\$2,016,744</b>	<b>\$4,125,000</b>	<b>\$6,141,744</b>
Cost of Issuing Bonds			38,256
<b>Total Costs</b>			<b>\$6,180,000</b>

Attachment I to this report, provided by the Recreation and Park Department, contains a description for each of these projects.

The proposed resolution pertains to the sale of \$6,180,000 in Series 2000C General Obligation Bonds. Upon sale of the subject bonds, the remaining amount of unsold bonds would equal \$103,820,000.

General provisions regarding the sale of the bonds would be as follows:

- The sale of the bonds is tentatively scheduled for May 31, 2000.
- Under the proposed resolution, the bonds would be sold at an interest rate that could not exceed 12 percent per year and will mature no later than June 15, 2026, or in 26 years.
- An official statement describing the proposed bonds to be issued is referenced in the proposed resolution for

approval by the Board of Supervisors. The official statement would be available to all potential bidders for the bonds.

- Bonds would be awarded to the bidder whose bid represents the lowest interest cost to the City.

**Comments:**

1. Including Item 5, File 00-0677 and Item 6, File 00-0678 of this report to the Finance and Labor Committee, the Mayor's Office proposes to sell General Obligation Bonds in a total amount not to exceed \$53,225,000, in May of 2000. Series 2000 C in the amount of \$6,180,000 is the subject this resolution.

2. Under this proposed resolution (Item 4, File 00-0679), the annual interest rate for the \$6,180,000 in the initial Series 2000 C of the Neighborhood Recreation and Park Facilities Improvement Bonds could not exceed 12 percent. However, Ms. Sarah Hollenbeck of the Mayor's Office reports that if the bonds are sold in May of 2000, the bonds would probably be sold at an overall effective interest rate of approximately 5.91 percent.

3. According to Ms. Hollenbeck, the proposed sale of Series 2000 C in the amount of \$6,180,000 would result in total interest costs of \$4,528,687, and total debt service of approximately \$10,708,687 (\$6,180,000 in principal costs plus \$4,528,687 in interest) over the 20-year life of the bonds. The average debt service payment per year would be approximately \$535,434.

4. Ms. Hollenbeck states that the proposed sale of the total of \$53,225,000 in General Obligation Bonds, as noted in Comment No. 1 above, would result in total interest costs of \$38,982,538, and total debt service of approximately \$92,207,538 (\$53,225,000 in principal costs plus \$38,982,538 in interest) over the 20-year life of the bonds. The average debt service payment per year would be approximately \$4,610,376.

5. According to Ms. Ann Carey of the Controller's Office, the proposed Series 2000 C sale of the Neighborhood Recreation and Park Facilities Improvement Bonds in the



amount of \$6,180,000 would result in an increase in the Property Tax rate of approximately \$0.00076 per \$100 of assessed value. At that rate, the owner of a single family residence assessed at \$400,000 would pay \$2.98 in additional Property Taxes annually due to the issuance of these bonds.

6. Ms. Carey states that the proposed sale of the total of \$53,225,000 in General Obligation Bonds, as noted in Comment No. 1 above, would result in an increase in the Property Tax rate of approximately \$0.00653 per \$100 of assessed value. At that rate, the owner of a single family residence assessed at \$400,000 would pay \$25.66 in additional Property Taxes annually due to the issuance of these bonds.

7. As stated in Attachment II, provided by the Mayor's Office, Ms. Hollenbeck states that the City's General Obligation bonding capacity, which is equal to three percent of the City's net assessed property value, is \$2,114,446,916 based on a net assessed valuation of \$70,481,563,870 for Fiscal Year 1999-2000. Ms. Hollenbeck states that, as of April 15, 2000, the City had outstanding \$ 903,500,000 aggregate principal amount of General Obligation Bonds, not including the subject Bonds of this resolution, which is equal to 1.28 percent of the net assessed valuation. Therefore, Ms. Hollenbeck advises that the City's current available General Obligation bonding capacity is approximately \$1,210,946,916. The proposed sale of bonds in the total amount of \$53,225,000 in General Obligation Bonds would reduce the City's bonding capacity from \$1,210,946,916 to approximately \$1,157,721,916. Ms. Hollenbeck advises that the City's bonding capacity varies from time to time as bonds are repaid and new bonds issued.

8. Ms. Hollenbeck states that the cost of selling \$6,180,000 in Series 2000 C Neighborhood Recreation and Park Facilities Improvement Bonds, including fees for private bond counsel, financial advisors, financial printing, and the services of the Mayor's Office of Public Finance and City Attorney, are expected to be



approximately \$38,256, or approximately 0.6 percent of the total value of the bonds issued.

9. Approval of the proposed resolution would authorize the sale of up to \$6,180,000 in General Obligation Neighborhood Recreation and Park Facilities Improvement Bonds (Series 2000 C). However, all future expenditure appropriations of the bond proceeds, would be subject to separate approval by the Board of Supervisors through supplemental appropriations ordinances.

**Recommendation:** Approve the proposed resolution.

City and County of San Francisco

Recreation and Park Department



DATE: April 20, 2000

TO: Emilie Neumann, Budget Analyst's Office

FROM: Deborah Learner, Park Planner, Recreation and Park Department *DL*

RE: Spring Bond Sale - Project Descriptions

1. Acquire Natural Areas - \$500,000 - Acquire natural areas at Palou Phelps and Edgehill.
2. Aptos Playground - \$160,000: For masterplanning and design for park improvements; will include consideration of perimeter improvements, infrastructure and recreational needs.
3. Chinese Recreation Center - \$300,000: For design. The recreation center's interior and exterior will need to be either completely refurbished or possibly reconstructed. The building was reported to have a high seismic rating. These funds will be augmented by a State allocation for improvements to the play area.
4. Dog Parks - \$150,000: For the design and improvement of various existing dog parks as well as potential new sites. Funding will support community process as well as plans and specifications.
5. Erosion Control - \$100,000 design/\$9,000,000 construction: Severe erosion problems exist at numerous sites including West Sunset Playground, Noe Courts, Koshland Park, Buena Vista Park, Stern Grove and Glen Park.
6. Esprit Park - \$800,000: Acquisition of developed park owned by private corporation. Funds will be augmented by Open Space funds previously appropriated for this purpose.
7. Helen Wills Clubhouse - \$81,744: For design. For improvements to the clubhouse, additional funds are available through the Open Space Program for construction of the play area to augment facility improvements. Also an UPPAR (Federal grant funding) application has been submitted to construct the clubhouse improvements.
8. Mission Playground Clubhouse ADA - \$200,000: For construction of ADA improvements in the clubhouse. This work scope will be added the project scope that has been funded through Open Space to improve ADA access to the adjacent pool.

9. North Beach Playground Clubhouse - \$400,000: Construction for improvements to the clubhouse. Plans are included as an alternate in the pool project funded through Open Space that is currently out to bid.
10. Randall Museum - \$650,000: Design to address plans and specifications to continue to implement the Museum's Master Plan for exterior and interior improvements.  
\$700,000: Construction to complete funding for the Phase I exterior landscape and ADA improvements.
11. ADA /Courts, paths and sidewalks - \$75,000: For design to provide ADA access and pathway improvements to address safety hazards at numerous facilities.  
\$525,000: For construction to implement ADA and pathway improvements.
12. Youngblood - \$450,000 Construction of synthetic turf soccer field, ADA improvements.

spring bond sale-neumann4-20-00

OFFICE OF THE MAYOR  
CITY HALL  
1 DR. CARLTON B. GOODLETT PLACE  
SAN FRANCISCO, CA 94102

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MEMORANDUM

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TO: EMILIE NEUMANN  
FROM: KAREN RIBBLE  
SARAH HOLLENBECK  
SUBJECT: GENERAL OBLIGATION BONDS, SERIES 2000A, B, AND C  
DATE: 04/19/00

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The City's General Obligation bonding capacity, which is equal to three percent of the City's net assessed property value, is \$2,114,446,916 based on a net assessed valuation of \$70,481,563,870 for Fiscal Year 1999-00. As of April 15, 2000, the City had outstanding \$963,500,000 aggregate principal amount of General Obligation Bonds, not including the subject Bonds of this resolution, which is equal to 1.28 percent of the net assessed valuation. Therefore, the City's current available General Obligation bonding capacity is approximately \$1,210,946,916. The proposed sale of bonds in the total amount of \$53,225,000 would reduce the City's bonding capacity from \$1,210,946,916 to approximately \$1,157,721,916. However, the City's bonding capacity varies from time to time as bonds are repaid and new bonds issued.

Item 5 - File 00-0677

**Department:** Community College District

**Item:** Resolution authorizing and directing the sale of not to exceed \$29,605,000 City and County of San Francisco General Obligation Bonds (Educational Facilities Bonds, 1997 - Community College District), Series 2000A; prescribing the form and terms of said bonds; authorizing the execution, authentication and registration of said bonds; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts related thereto; approving the forms of official Notice of Sale and Notice of Intention to Sell Bonds; directing the publication of the Notice of Intention to Sell Bonds; approving the form and execution of the Official Statement relating thereto; approving the form of the Continuing Disclosure Certificate; approving modifications to documents; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said bonds.

<u>Amount:</u>	<u>Series</u>	<u>Description</u>	<u>Amount</u>
	2000A	Educational Facilities Bonds Community College District	\$29,605,000

**Description:** In June of 1997, San Francisco voters approved the issuance of \$140,000,000 in General Obligation Bonds for educational facilities for the San Francisco Unified School District and the Community College District. Of the \$140,000,000, \$50,000,000 was to provide funding for the acquisition, construction, and/or reconstruction of educational facilities for the Community College District. On June 29, 1999, the City issued the first series of bonds on behalf of the Community College District in the amount of \$20,395,000 (Educational Facilities Bonds, 1997 - Community College District), Series 1999A. The remaining authorized amount equals \$29,605,000 (\$50,000,000 less \$20,395,000).

Memo to Finance and Labor Committee  
April 26, 2000 Finance and Labor Committee Meeting

Bond proceeds from Series 1999A in the amount of \$20,460,150<sup>1</sup> were appropriated by the Board of Supervisors as follows (File 99-1573):

Land acquisition to be used for campuses for the Community College District in Chinatown and Mission District	\$9,095,793
Health and safety upgrades	2,745,715
Disability access improvements	250,457
Renovation projects	2,003,834
Technology, network, and electrical upgrades	5,967,427
Childcare facilities	250,000
Bond issuance costs	79,211
Debt service costs	<u>67,713</u>
<b>Total</b>	<b>\$20,460,150</b>

The Community College District proposes to expend bond proceeds from the proposed subject sale of \$29,605,000 in Series 2000A bonds as follows:

Land acquisition to be used for campuses for the Community College District in Chinatown and Mission District	\$804,207	
Health and safety upgrades	8,251,341	
Disability access improvements	741,760	
Renovation projects	7,427,791	
Technology, network, and electrical upgrades	10,476,544	
Childcare facilities	<u>1,725,983</u>	
<i>Subtotal, Construction Fund</i>		\$29,427,626
Bond issuance costs		<u>177,374</u>
<b>Total</b>		<b>\$29,605,000</b>

Attachment I, provided by the Community College District, provides a description of the above projects.

The proposed resolution pertains to the sale of \$29,605,000 in Series 2000A General Obligation Bonds, which

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<sup>1</sup> According to Ms. Sarah Hollenbeck of the Mayor's Office of Public Finance, the City sold General Obligation bonds totaling \$20,395,000, and actual bond proceeds, including interest earnings, totaled \$20,460,150 (File No. 99-1573).



represents the remaining authorized amount of the General Obligation Bonds approved by the electorate in June of 1997 for the Community College District.

General provisions regarding the sale of the bonds would be as follows:

- The sale of the bonds is tentatively scheduled for May 31, 2000.
- Under the proposed resolution, the bonds would be sold at an interest rate which could not exceed 12 percent per year and will mature no later than June 15, 2026, or 26 years.
- Property Taxes collected to redeem the bonds would be deposited in the special funds account which would be created specifically for this purpose.
- An official statement describing the proposed bonds to be issued is referenced in the proposed resolution for approval by the Board of Supervisors. The official statement would be available to all potential bidders for the bonds.
- Bonds would be awarded to the bidder whose bid represents the lowest interest cost to the City.
- The City Treasurer may appoint fiscal agents or financial institutions to distribute bond interest or principal payments.

**Comments:**

1. Including Item 4, File 00-0679, and Item 6, File 00-0678 of this report to the Finance and Labor Committee, the Mayor's Office proposes to sell General Obligation Bonds in a total amount not to exceed \$53,225,000, in May of 2000. Series 2000A in the amount of \$29,605,000 is the subject of this resolution.

2. Under the proposed resolution, the annual interest rate for the bonds could not exceed 12 percent. However, Ms. Sarah Hollenbeck of the Mayor's Office reports that if the bonds are sold in May of 2000, the bonds would probably be sold at an overall effective interest rate of approximately 5.91 percent.

3. According to Ms. Hollenbeck, the proposed sale of Series 2000A in the amount of \$29,605,000 would result in total interest costs of approximately \$21,682,026, and total debt

service of approximately \$51,287,026 (\$29,605,000 in principal costs plus \$21,682,026 interest) over the 20-year life of the bonds. The average debt service payment per year would be approximately \$2,564,351.

4. Ms. Hollenbeck states that the proposed sale of the total of \$53,225,000 in General Obligation Bonds, as noted in Comment No. 1 above, would result in total interest costs of approximately \$38,982,538, and total debt service of approximately \$92,207,538 (\$53,225,000 in principal costs plus \$38,982,538 in interest) over the 20-year life of the bonds. The average debt service payment per year would be approximately \$4,610,376.

5. According to Ms. Ann Carey of the Controller's Office, the proposed Series 2000A sale of Educational Facilities Bonds, Community College District, in the amount of \$29,605,000 would result in an increase in the Property Tax rate of approximately \$0.00363 per \$100 of assessed value. At that rate, the owner of a single family residence assessed at \$400,000 would pay \$14.27 in additional Property Taxes annually due to the issuance of these bonds.

6. Ms. Carey states that the proposed sale of the total \$53,225,000 in General Obligation Bonds, as noted in Comment No. 1 above would result in an increase in the Property Tax rate of approximately \$0.00653 per \$100 of assessed value. At that rate, the owner of a single family residence assessed at \$400,000 would pay \$25.66 in additional Property Taxes annually due to the issuance of these bonds.

7. Ms. Hollenbeck states that the cost of selling \$29,605,000 in Series 2000A Education Facilities Bonds, Community College District, including fees for private bond counsel, financial advisors, financial printing, and the services of the Mayor's Office of Public Finance and City Attorney, are expected to be approximately \$177,374, or approximately 0.6 percent of the total value of the bonds issued.

8. As stated in Attachment II, provided by the Mayor's Office, Ms. Hollenbeck states that the City's General Obligation bonding capacity, which is equal to three percent of the City's net assessed property value, is

\$2,114,446,916 based on a net assessed valuation of \$70,481,563,870 for Fiscal Year 1999-2000. Ms. Hollenbeck states that, as of April 15, 2000, the City had outstanding \$903,500,000 aggregate principal amount of General Obligation Bonds, not including the subject Bonds of this resolution, which is equal to 1.28 percent of the net assessed valuation of \$70,481,563,870. Therefore, Ms. Hollenbeck advises that the City's current available General Obligation bonding capacity is approximately \$1,210,946,916. The proposed sale of bonds in the total amount of \$53,225,000 would reduce the City's bonding capacity from \$1,210,946,916 to approximately \$1,157,721,916. However, Ms. Hollenbeck advises that the City's bonding capacity varies from time to time as bonds are repaid and new bonds are issued.

9. Approval of the proposed resolution would authorize the sale of up to \$29,605,000 in Educational Facilities Bonds, Community College District, Series 2000A. However, all future expenditure appropriations of the bond proceeds would be subject to separate approval by the Board of Supervisors through supplemental appropriation ordinances.

**Recommendation:** Approve the proposed resolution.



## VICE CHANCELLOR OF FINANCE & ADMINISTRATION

33 GOUGH STREET • SAN FRANCISCO, CA 94103-1214 • 415. 241.2229 • FAX 415. 241.2344

To: Severin Campbell, Budget Analyst's Office

From: Peter Goldstein, Vice Chancellor Finance & Administration

Re: Community College District's Proposed Use of Bond Proceeds

Date: April 20, 2000

In response to your request I am providing additional information related to the Community College District's proposed uses of bond proceeds. The attached spreadsheet shows the breakout of proposed spending by category and by site. The narrative below provides further detail on the proposed uses of this funding.

The largest portion of the College's proposed expenditures is for continuing the construction of the computer network with associated electrical upgrades. A total of \$10,476,544 will be spent in this area for items such as building wiring, network cabling, and electrical panels. When completed, the College expects to exceed its promise to the public to create a network that connects 50% of the classrooms in buildings the College owns as well as 25% of the classrooms in buildings the College leases.

The second largest area of activity for this bond sale is health and safety projects. A total of \$8,251,341 will be spent for items such as replacing forty to eighty year old windows and doors, repairing plumbing, upgrading ventilation systems, replacing outdated fire-life safety systems, and replacing roof coverings. When these projects are completed the College will have addressed all of the major health and safety issues in the buildings it owns.

The third largest area of activity for this bond sale is renovation projects. A total of \$7,427,791 will be spent for items such as replacement of worn out floor and ceiling coverings, repainting of exterior and interior walls, improvements to existing heating and ventilation systems, and reconfiguring existing space for more efficient use. While considerable progress will be made in this area, it is far short of the amount needed to upgrade the more than 1.1 million square feet of space in all College-owned facilities.

### BOARD OF TRUSTEES

DR. ANITA GRIER, PRESIDENT • ROBERT F. VARNI, VICE PRESIDENT • DR. NATALIE BERG  
ROBERT E. BURTON • JAMES HASKELL MAYO, II • RODEL E. RODIS • LAWRENCE WONG  
DR. PHILIP R. DAY, JR., CHANCELLOR

The fourth area of activity for this bond sale is childcare facilities. A total of \$1,725,983 will be spent to improve the existing childcare facility located at the Phelan Campus. The money will be spent on new lighting, heating and plumbing systems, as well as new interior finishes and play structures. The College upgraded the childcare facility at its John Adams Campus with proceeds from the first bond sale.

The final area of activity for this bond sale is in the land acquisition category. The \$804,207 earmarked for this item is not for acquiring any additional property. Instead it is needed to pay for the buyout provision contained in the lease of a commercial occupant of the property the College acquired for its new Mission Campus.

Thank you for your assistance and do not hesitate to contact me at 241.2229 if you need any additional information.

Cc: Dr. Phillip Day  
Karen Ribble

OFFICE OF THE MAYOR  
CITY HALL  
1 DR. CARLTON B. GOODLETT PLACE  
SAN FRANCISCO, CA 94102

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MEMORANDUM

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TO: EMILIE NEUMANN  
FROM: KAREN RIBBLE  
SARAH HOLLENBECK  
SUBJECT: GENERAL OBLIGATION BONDS, SERIES 2000A, B, AND C  
DATE: 04/19/00

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The City's General Obligation bonding capacity, which is equal to three percent of the City's net assessed property value, is \$2,114,446,916 based on a net assessed valuation of \$70,481,563,870 for Fiscal Year 1999-00. As of April 15, 2000, the City had outstanding \$903,500,000 aggregate principal amount of General Obligation Bonds, not including the subject Bonds of this resolution, which is equal to 1.28 percent of the net assessed valuation. Therefore, the City's current available General Obligation bonding capacity is approximately \$1,210,946,916. The proposed sale of bonds in the total amount of \$53,225,000 would reduce the City's bonding capacity from \$1,210,946,916 to approximately \$1,157,721,916. However, the City's bonding capacity varies from time to time as bonds are repaid and new bonds issued.



Item 6 - File 00-0678

**Department:** San Francisco Zoo

**Item:** Resolution authorizing and directing the sale of not to exceed \$17,440,000 City and County of San Francisco General Obligation Bonds (Zoo Facilities Bonds, 1997), Series 2000B; prescribing the form and terms of said bonds; authorizing the execution, authentication and registration of said bonds; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts related thereto; approving the forms of official Notice of Sale and Notice of Intention to Sell Bonds; directing the publication of the Notice of Intention to Sell Bonds; approving the form and execution of the Official Statement relating thereto; approving the form of the Continuing Disclosure Certificate; approving modifications to documents; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale, and delivery of said bonds.

<b>Amount:</b>	<u>Series</u>	<u>Description</u>	<u>Amount</u>
	2000B	Zoo Facilities Bond	\$17,440,000

**Description:** In June of 1997, San Francisco voters approved the issuance of \$48,000,000 in General Obligation bonds to provide funding for the acquisition, construction, and/or reconstruction of facilities for the San Francisco Zoo. On June 29, 1999, the City issued the first series of bonds on behalf of the San Francisco Zoo in the amount of \$16,845,000 (Zoo Facilities Bonds, 1997), Series 1999C. The remaining authorized amount of Zoo Facilities Bonds equal \$31,155,000 (\$48,000,000 less \$16,845,000).

Proceeds from the sale of the first series of Zoo Facilities bonds totaled \$16,898,895. The Board of Supervisors appropriated funds in that amount in October of 1999 (File No. 99-1912) for various Zoo renovation and construction projects, as shown in Attachment I, provided by the Zoo,

Proceeds from the proposed sale of the second series of Zoo Facilities bonds, which are the subject of this resolution, totaling \$17,440,000, would be used as follows:

Memo to Finance and Labor Committee  
April 26, 2000 Finance and Labor Committee Meeting

Entrance and Zoo Street	\$13,114,827	
Madagascar Facility	1,974,695	
Quarantine and Holding Facility	<u>2,246,811</u>	
<i>Subtotal, Construction Funds</i>		\$17,336,333
Cost of Issuance		<u>103,667</u>
<b>Total</b>		<b>\$17,440,000</b>

Attachments I and II, provided by the Zoo, contain additional budget details and a description of each of these projects.

The proposed resolution pertains to the sale of \$17,440,000 in Series 2000B General Obligation Bonds. Upon sale of the subject bonds, the remaining amount of unsold bonds would equal \$13,715,000.

General provisions regarding the sale of the bonds would be as follows:

- The sale of the bonds is tentatively scheduled for May 31, 2000.
- Under the proposed resolution, the bonds would be sold at an interest rate which could not exceed 12 percent per year and would mature no later than June 15, 2026, or 26 years.
- Property Taxes collected to redeem the bonds would be deposited in the special funds account which would be created specifically for this purpose.
- An official statement describing the proposed bonds to be issued is referenced in the proposed resolution for approval by the Board of Supervisors. The official statement would be available to all potential bidders for the bonds.
- Bonds would be awarded to the bidder whose bid represents the lowest interest cost to the City.
- The City Treasurer may appoint fiscal agents or financial institutions to distribute bond interest or principal payments.

**Comments:**

1. Including Item 4, File 00-0679, and Item 5, File 00-0677 of this report to the Finance and Labor Committee, the Mayor's Office proposes to sell General Obligation Bonds in a total amount not to exceed \$53,225,000, in May of 2000.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Series 2000B in the amount of \$17,440,000 is the subject of this resolution.

2. Under the proposed resolution, the annual interest rate for the bonds could not exceed 12 percent. However, Ms. Sarah Hollenbeck of the Mayor's Office reports that, if the bonds are sold in May of 2000, the bonds would probably be sold at an overall effective interest rate of approximately 5.91 percent.

3. According to Ms. Hollenbeck, the proposed sale of Series 2000B in the amount of \$17,440,000 would result in total interest costs of approximately \$12,771,824, and total debt service of approximately \$30,211,824 (\$17,440,000 plus \$12,771,824) over the 20-year life of the bonds. Average debt service payment per year would be approximately \$1,510,591.

4. Ms. Hollenbeck states that the proposed sale of the total of \$53,225,000 in General Obligation bonds, as noted in Comment No. 1 above, would result in total interest costs of approximately \$38,982,538, and total debt service of approximately \$92,207,538 (\$53,225,000 in principal costs plus \$38,982,538 in interest) over the 20-year life of the bonds. The average debt service payment per year would be approximately \$4,610,376.

5. According to Ms. Ann Carey of the Controller's Office, the proposed Series 2000B sale of Zoo Facilities Bonds in the amount of \$17,440,000 would result in an increase in the Property Tax rate of approximately \$0.00214 per \$100 of assessed value. At that rate, the owner of a single family residence assessed at \$400,000 would pay \$8.41 in additional Property Taxes annually due to the issuance of these bonds.

6. Ms. Carey states that the proposed sale of the total \$53,225,000 in General Obligation Bonds, as noted in Comment No. 1 above, would result in an increase in the Property Tax rate of approximately \$0.00653 per \$100 of assessed value. At that rate, the owner of a single family residence assessed at \$400,000 would pay \$25.66 in additional Property Taxes annually due to the issuance of these bonds.

7. Ms. Hollenbeck states that the cost of selling \$17,440,000 Series 2000B Zoo Facilities Bonds, including fees for private bond counsel, financial advisors, financial printing, and the services of the Mayor's Office of Public Finance and City Attorney, are expected to be approximately \$103,677, or 0.6 percent of the total value of the bonds issued.

8. As stated in Attachment III, provided by the Mayor's Office, Ms. Hollenbeck states that the City's General Obligation bonding capacity, which is equal to three percent of the City's net assessed property value, is \$2,114,446,916 based on a net assessed valuation of \$70,481,563,870 for Fiscal Year 1999-2000. Ms. Hollenbeck states that, as of April 15, 2000, the City had outstanding \$903,500,000 aggregate principal amount of General Obligation Bonds, not including the subject Bonds of this resolution, which is equal to 1.28 percent of the net assessed valuation of \$70,481,563,870. Therefore, Ms. Hollenbeck advises that the City's current available General Obligation bonding capacity is approximately \$1,210,946,916. The proposed sale of bonds in the total amount of \$53,225,000 would reduce the City's bonding capacity from \$1,210,946,916 to approximately \$1,157,721,916. However, Ms. Hollenbeck advises that the City's available bonding capacity varies from time to time as bonds are repaid and new bonds are issued.

9. Approval of the proposed resolution would authorize the sale of up to \$17,440,000 in General Obligation Bonds (Series 2000B). However, all future expenditure appropriations of the bond proceeds would be subject to separate approval by the Board of Supervisors through supplemental appropriation ordinances.

**Recommendation:** Approve the proposed resolution.

Bond Commitments (Amended)										Schedule			
Develop Plan Description	(Original) 1999 Bond Request	Adjustments March 2000 (+/-)	1999 Bond \$5 (Adjusted March 2000)	Proposed 2000 Bond Request	Proposed 2001 Bond Request	Total Bond Funds	Other Funding	Total Plan for Bond C	Cost To Date	Design		Construction	
										Start Date	Finish Date	Start Date	Finish Date
<b>THE NEW ZOO</b>													
Develop Plan Description													
Education Center	2,768,197	1,350,803	4,119,000			4,119,000	331,000	4,450,000	291,247	Mar-1998	Jan-2000	May-2000	Mar-2001
Animal Resource Center	2,323,615	317,363	2,641,008			2,641,008	360,963	3,001,971	230,371	Feb-1998	Nov-1999	Mar-2000	Jan-2001
Administration Center	1,188,606	-1,188,606								Feb-2000	Jun-2000	Sep-2000	Jul-2001
Zoo Support Center	3,067,846	1,576,036	4,643,882			4,643,882	468,000	5,111,882	284,564	Oct-1998	Jun-2000	Aug-2000	Jun-2001
Public Art Program	800,000	0	800,000			800,000		800,000	24,061			Jul-1999	Jul-2001
Entrance & Zoo Street		0		13,114,827		13,114,827	1,809,843	14,924,670	422,693	May-1999	Jun-2000	Sep-2000	Dec-2001
Ground	965,379	484,621	1,450,000			1,450,000	50,000	1,500,000	0			Mar-2000	Jul-2002
Madagascar	8,088	-8,088		1,974,695		1,974,695	573,451	2,548,146	151,483	May-1999	Sep-2000	Dec-2000	Jan-2002
Africa / Great Ape Forest	8,088	-8,088			13,524,772	13,524,772	8,145,374	21,670,146	71,493	Jan-2000	Mar-2001	Jul-2001	Oct-2002
Quarantine & Holding	2,431,970	-2,035,193	132,777	2,246,811		2,246,811	372,535	2,619,346	0	Jun-2000	Oct-2000	Oct-2000	Jul-2001
Savanna D / Grand Panorama		0					4,500,000	4,500,000	0	Aug-2000	Oct-2000	Dec-2001	Mar-2003
Children's Zoo	2,281,877	-218,848	2,063,029			2,063,029	100,000	2,203,245	44,250	Jun-1999	Dec-2000	Mar-2001	Mar-2002
Terrace Café		0					800,000	800,000	1,568	Apr-2000	Sep-2000	Feb-2000	Oct-2000
Infrastructure - Partial		0					250,000	250,000	0	Sep-2000	Jan-2002	Jan-1998	Jan-2002
Site Architecture Coordination		0					853,547	853,547	62,278	Jan-1998	Jan-2003	Jan-1998	Jan-2000
Master Planning		0					2,087,000	3,017,304	2,003,651	Jan-1998	Jan-2003	Jan-1998	Oct-2000
R & R Projects	930,304	0	930,304			930,304	1,774,065	1,774,065	1,475,184	Jan-1998	Jan-2003	Jan-1998	Oct-2000
A-L Projects		0					4,221,474	4,221,474	1,566,713	Jan-1998	Jan-2003	Jan-1998	Oct-2000
Program Management		0					2,012,467	2,012,467	1,285,001	Jan-1998	Jan-2003	Jan-1998	Oct-2003
Other Costs	118,895	0	118,895	120,000	120,000	358,895	1,500,000	1,500,000	0	Jan-1998	Jan-2003	Jan-1998	Oct-2003
Owner's Reserve		0		17,446,333	13,644,772	48,000,000	30,209,219	78,300,935	9,160,484	Jan-1998	Jan-2003	Jan-1998	Oct-2003
<b>Total</b>	<b>16,898,895</b>	<b>0</b>	<b>16,898,895</b>	<b>17,446,333</b>	<b>13,644,772</b>	<b>48,000,000</b>	<b>30,209,219</b>	<b>78,300,935</b>	<b>9,160,484</b>				

\* Indicates revised / modified project budget and priority by Zoological Society of America, that combined Administration Center and Zoo Support Center Projects

Note: Project totals include UPW and Rec & Park allocations

\* Total projected expenditures for 2000 bond proceeds equal \$17,440,000. The line item "other costs" equals \$103,667, rather than \$120,000. "Other costs" are bond issuance costs, and according to the Mayor's Office of Public Finance, are projected to be approximately \$103,667.



### A. Entry and Zoo Street

Visitors will be greeted by a new main entrance located along the Great Highway, slightly to the south of the old Fleishacker Pool. It will include a multi-use area with bus and shuttle drop-offs; a bicycle storage area; a disabled accessible parking area; and new visitor ticketing, service, and retail areas. It will also provide an immediate view of the animals in the African Savanna exhibit. The proposed parking area could be part of a new joint-use site with a new city tertiary treatment plant for recycled water located underneath. A new central pedestrian spine will unite the discovery trail loops of each of the major exhibitions. Planned for a peak visitor day of 25,000 persons, this tree-lined spine will provide a new linear landmark for the Zoo and an orientation and a sense-of-place in a restored native coastal marine California landscape for visitors. The spine will include expanded food services, gift shops, information kiosks, directional signage, ticketing, medical services, rentals, tramway access, and restroom facilities. Adjoining this new green space corridor, there will be space for individual and large group picnicking and areas for animal demonstrations, community and cultural events, and people watching.

### F. Madagascar

This exhibit will display the unique lemur, reptiles, and other fauna of Madagascar. There will be interactive devices that will showcase the specific projects and conservation efforts being carried out by the San Francisco Zoo in Madagascar.

### L. Service, Warehouse, and Quarantine Facilities

The efficient operation of the Zoo requires adequate support facilities, located in areas that facilitate clear communication among all staff. This phase includes the building or rebuilding of some important service areas: facilities for animal quarantine, food storage facilities for animal diets and visitor restaurants, and retail storage and horticultural support facilities.



OFFICE OF THE MAYOR  
CITY HALL  
1 DR. CARLTON B. GOODLETT PLACE  
SAN FRANCISCO, CA 94102

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MEMORANDUM

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TO: EMILIE NEUMANN  
FROM: KAREN RIBBLE  
SARAH HOLLENBECK  
SUBJECT: GENERAL OBLIGATION BONDS, SERIES 2000A, B, AND C  
DATE: 04/19/00

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The City's General Obligation bonding capacity, which is equal to three percent of the City's net assessed property value, is \$2,114,446,916 based on a net assessed valuation of \$70,481,563,870 for Fiscal Year 1999-00. As of April 15, 2000, the City had outstanding \$903,500,000 aggregate principal amount of General Obligation Bonds, not including the subject Bonds of this resolution, which is equal to 1.28 percent of the net assessed valuation. Therefore, the City's current available General Obligation bonding capacity is approximately \$1,210,946,916. The proposed sale of bonds in the total amount of \$53,225,000 would reduce the City's bonding capacity from \$1,210,946,916 to approximately \$1,157,721,916. However, the City's bonding capacity varies from time to time as bonds are repaid and new bonds issued.



Items 7 -14 - Files 00-0432, 00-0433, 00-0434, 00-0435, 00-0436, 00-0437, 00-0438, 00-0439

**Department:** Treasurer /Tax Collector

**Items:** File 00-0432: Ordinance amending Part III, Article 3, Section 250 of the San Francisco Municipal Code, to except certain transient merchants, that operate at Moscone Center or the Bill Graham Civic Auditorium and agree to comply with all the City and County of San Francisco's rules, from the licensing and fee requirements otherwise applicable to transient merchants under Article 3; and enabling enforcement by means of citation.

File 00-0433: Ordinance amending Part III, Article 3, Section 251 of the San Francisco Municipal Code to define the term temporary business to mean a business conducted for less than seven days and excluding pumpkin sellers from the definition of transient merchant.

File 00-0434: Ordinance amending Part III, Article 3, Section 252 of the San Francisco Municipal Code to except certain transient merchants, that operate at Moscone Center or the Bill Graham Civic Auditorium and agree to comply with all the City and County of San Francisco's rules, from the requirement that they apply for a license under Article 3.

File 00-0435: Ordinance amending Part III, Article 3, Section 253 of the San Francisco Municipal Code to reduce the fees payable by transient merchants during the suspension period described below.

File 00-00436: Ordinance amending Part III, Article 3, Section 254 of the San Francisco Municipal Code to exempt those certain transient merchants, that operate at Moscone Center or the Bill Graham Civic Auditorium and agree to comply with all the City and County of San Francisco's rules, from the tax return filing requirement otherwise applicable to transient merchants under Article 3 and to exempt all other transient

merchants from such tax return filing requirements during the suspension period.

File 00-0437: Ordinance amending Part III, Article 3, Section 255 of the San Francisco Municipal Code to exempt those certain transient merchants, that operate at Moscone Center or the Bill Graham Civic Auditorium and agree to comply with all the City and County of San Francisco's rules, from the bonding requirement otherwise applicable to transient merchants under Article 3.

File 00-0438: Ordinance amending Part III, Article 3, Section 257 of the San Francisco Municipal Code to eliminate the penalty on transient merchants that violate the provisions of Article 3 during the suspension period.

File 00-0439: Ordinance amending Part III, Article 3, Section 258 of the San Francisco Municipal Code to exempt those certain transient merchants, that operate at Moscone Center or the Bill Graham Civic Auditorium and agree to comply with all the City and County of San Francisco's rules, from the licensing requirements otherwise applicable to transient merchants under Article 3.

**Description:**

The eight proposed ordinances would address City regulations concerning transient merchants, which are currently defined in Part III, Article 3, Section 251 of the City's Administrative Code (See File 00-0433 below). Currently, the City (1) requires transient merchants to obtain quarterly licenses from the City; (2) requires transient merchants to pay \$500 quarterly license fees to the City, (3) requires all transient merchants to obtain a \$5,000 financial bond, (4) requires transient merchants to file quarterly reports with the City; (5) imposes a Gross Receipts Tax of ten percent on transient merchant's gross sales which exceed \$5,000, and (6) imposes certain criminal sanctions for failure to comply with these provisions. All of the proposed ordinances would amend existing Sections of the City's Administrative Code, except one of the

proposed ordinances (File 00-0439), which would add a new Section 258 to the Administrative Code.

File 00-0439: Under this new proposed Section 258, those transient merchants who lease space at either Moscone Center or the Bill Graham Civic Auditorium, and meet the requirements of the City by entering into a License Agreement with San Francisco Convention Facilities, would be exempt from (1) applying for a transient merchant license, (2) obtaining a transient merchant license, or (3) obtaining a financial bond, and therefore would be exempt from all the transient merchant requirements, including the transient merchants quarterly license fee, as established in the City's Administrative Code. All of these new provisions would be in effect during a proposed suspension period, which would extend from the effective date of this ordinance to 30 days after the Board of Supervisors repeals the ordinance.

File 00-00432: Currently, Section 250 of Article 3 of the City's Administrative Code requires all transient merchants to obtain a license from the City. The proposed ordinance would amend this requirement to exempt those transient merchants covered by the new Section 258 discussed above, that lease space at Moscone Center or Bill Graham Civic Auditorium. In addition, the proposed ordinance would require that such license provisions for other transient merchants be enforced by the issuance of administrative citations.

File 00-00433: Currently, Section 251 of Article 3 of the City's Administrative Code defines transient merchants as any person, firm or corporation who (a) engages in a *temporary business* of selling and delivering goods, wares and merchandise, other than food or food products, within the City, and (b) hires, leases, uses or occupies any building, structure, shop, tent, railroad boxcar, boat or room in any hotel, motel, auto court or apartment for the exhibition and sale of such goods, wares and

merchandise. This transient merchant definition specifically excludes (a) persons, firms or corporations who exhibit samples only for the purpose of securing orders for future delivery, (b) sales at public auctions regulated by the provisions of the Police Code and Part III of the Municipal Code and (c) the sale of Christmas trees. The proposed ordinance would also exclude the sale of pumpkins from these transient merchant requirements. In addition, the proposed ordinance would define "temporary business" to mean a business conducted for less than seven days in any calendar year and would require that any business conducted for seven days or more in any calendar year obtain a Business Tax Registration Certificate.

File 00-0434: Currently, Section 252 of Article 3 of the City's Administrative Code contains the requirements for applying for a transient merchant license. The proposed ordinance would make non-substantive clarifying changes to these existing requirements.

File 00-0435: Currently, Section 253 of Article 3 of the City's Administrative Code requires that all transient merchants pay (1) a minimum quarterly fee of \$500 for a license and (2) a Gross Receipts Tax of ten percent of gross receipts in excess of \$5,000 per quarter. The proposed ordinance would (1) reduce the transient merchant quarterly license fee from \$500 to \$150, a reduction of \$350, or 70 percent, and (2) eliminate the Gross Receipts Tax for transient merchants, who lease space at locations other than Moscone Center and the Bill Graham Civic Auditorium, during the suspension period. As noted previously, under the new Section 258 (File No. 900-0439) transient merchants who lease space at the Moscone Center and the Bill Graham Civic Auditorium are exempt from the transient merchant requirements, including the transient merchant quarterly license fee. Also, the suspension period would extend from the effective date of the new Section 258 (File 00-0439) to 30



days after the Board of Supervisors repeals that ordinance.

File 00-0436: Currently, Section 254 of Article 3 of the City's Administrative Code (1) requires transient merchants to file quarterly reports with the Tax Collector's Office containing the amount of gross receipts received and (2) authorizes the Tax Collector's Office to examine the records of these transient merchants to verify the accuracy of the quarterly reports and/or to ascertain the amount of fees and taxes owed to the City. The proposed ordinance would eliminate the requirement that transient merchants need to file these quarterly reports or pay such taxes to the City during the suspension period, which is noted above.

File 00-0437: Currently, Section 255 of Article 3 of the City's Administrative Code requires that before the quarterly license can be issued by the City, all transient merchants must file a \$5,000 bond with the Tax Collector's Office to cover potential injuries or losses that may be sustained. The proposed ordinance would amend Section 255 to provide that only those transient merchants that are required to obtain a quarterly license be required to post the \$5,000 bond. Since under the proposed amendments, transient merchants at Moscone Center and Bill Graham Civic Auditorium would be exempt from the licensing requirements, those transient merchants would also be exempt from these bonding requirements.

File 00-0438: Currently, Section 257 of Article 3 of the City's Administrative Code states that any person that violates any of the provisions of Article 3, as described above, would be guilty of a misdemeanor and upon conviction would be punished by a fine of not more than \$500 or imprisonment for not more than six months or both. The proposed ordinance would eliminate these criminal sanctions during the suspension period. As noted above (File 00-0432), the provisions of Article 3 would be enforced by the issuance of citations.

**Comments:**

1. Ms. Susan Leal, the City Treasurer, advises that Mr. Jack Moerschbaeher, the City's Convention Facilities Director and Mr. John Marks, President of the San Francisco's Convention and Visitors Bureau approached the Tax Collector's Office to propose the requested changes to the City's Administrative Code regarding excluding transient merchants at Moscone Center and Bill Graham Civic Auditorium from the City's transient merchants requirements. As indicated in a letter dated October 12, 1999, from Mr. Moerschbaeher to Ms. Susan Leal (Attachment I), Mr. Moerschbaeher reports that Convention Center customers have expressed concern about application of the transient merchant tax to merchants who have exhibits at trade shows and conventions. According to Mr. Moerschbaeher, the San Francisco Convention and Visitors Bureau and Moscone Center "have received numerous communications (from Convention Center customers) protesting the potential application of this tax to their shows". Mr. Moerschbaeher states that, if 17 Convention Center customers who have expressed concern about paying the tax were to transfer their business to other cities, the City would lose an estimated \$4,300,000 in Convention Center revenues. Additionally, Mr. Moerschbaeher states that a survey of 9 cities, including 7 California cities (Anaheim, Burbank, Fresno, Los Angeles, San Diego, San Jose, and Santa Clara), Portland, Oregon, and Las Vegas, Nevada, shows that none of the 9 cities impose a transient merchant tax.

2. Under the proposed ordinance (File 00-0439), a transient merchant would be exempt from these regulations, if the merchant leases space at either Moscone Center or Bill Graham Civic Auditorium and enters into a License Agreement for San Francisco Convention Facilities. According to Mr. Moerschbaeher, the existing License Agreements are required to be signed by all show producers who occupy space at Moscone Center or Bill Graham Civic Auditorium. Mr. Moerschbaeher advises that

this License Agreement obligates such show producers to comply with all City government rules and requirements, as well as the Operator's Rules and Regulations, the San Francisco Convention Facilities Public Safety and Fire Management Plan and the Handbook for Meeting Planners and Show Managers. Mr. Moerschbaeher reports that in FY 1999-2000, the City is estimated to receive \$7,067,000 from the License Agreement fees at Moscone Center and Bill Graham Civic Auditorium. According to Mr. Moerschbaeher, such revenues are deposited into the Convention Facilities Fund and are used (a) to make debt service payments on Moscone Center, which in FY 1999-2000 are estimated to be \$19,877,000, and (b) to pay for the operating and maintenance costs for Moscone Center and Bill Graham Civic Auditorium, which in FY 1999-2000 are estimated to be \$15,151,000. The License Agreement fees are not the subject of the proposed ordinance and would remain unchanged. As noted previously, under the proposed ordinance the transient merchant quarterly license fee would apply only to transient merchants leasing space at locations other than Moscone Center and Bill Graham Civic Auditorium, and would be reduced from \$500 per quarter to \$150 per quarter (Files No. 00-0435 and 00-0439).

3. Mr. Doug Neilson of the Convention and Visitors Bureau reports that the subject transient merchant tax has been "sporadically enforced, at best, for many years". Additionally, Mr. Nielson states that convention and trade show organizers have opposed the transient merchant tax, as shown in the attached memorandum (Attachment II).

4. As noted above, under the proposed ordinance (File 00-0433), a transient merchant would be defined as a business conducted for less than seven days in any calendar year and would require that any business conducted for seven days or more in any calendar year obtain a Business Tax Registration Certificate. Ms. Leal advises that the reduction of the \$500 license fee to the proposed

\$150 license fee is consistent with the average cost for the City's Business Tax Registration Certificate. Ms. Leal also advises that the existing transient merchant regulations which require payment of a ten percent Gross Receipts Tax on receipts of over \$5,000 are proposed to be eliminated because these regulations are extremely labor intensive and practically unenforceable for the Tax Collector's Office.

5. The Treasurer/Tax Collector reports that in FY 1998-99, the Tax Collector's Office collected a total of \$41,234 from quarterly license fees and Gross Receipts Taxes from transient merchants, and that, as of March 31, 2000, the Tax Collector's Office has received approximately \$16,000 from transient merchant fees and taxes for FY 1999-2000. Based on revenues for the first 9 months of FY 1999-2000, the Budget Analyst projects a total of approximately \$21,333 on an annualized basis. According to the Treasurer/Tax Collector, prior to FY 1998-99, the City did not aggressively enforce the provisions of Article 3 regarding transient merchants. As a result, the Treasurer/Tax Collector estimates that the City's collections from transient merchants prior to FY 1998-99 were approximately \$3,000 annually.

6. Approval of the proposed ordinances would (a) exempt the transient merchants who lease space at Moscone Center or Bill Graham Civic Auditorium from the existing transient merchant license requirements, including quarterly license fees, (b) eliminate the Gross Receipts tax, and (c) reduce the quarterly license fee from the current \$500 per quarter to \$150 per quarter for transient merchants who lease space at locations other than Moscone Center and the Bill Graham Civic Auditorium. The Treasurer/Tax Collector estimates that the City would receive a total of approximately \$1,500 annually (from an estimated 10 transient merchants, who occupy space at locations other than the Moscone Center or Bill Graham Civic Auditorium, times \$150). The Treasurer/Tax Collector expects that the City will receive

additional quarterly license fee revenues, in addition to the estimated \$1,500 annual revenues noted above, due to increased ability to collect such fees resulting from the automation of the collection system. The Treasurer/Tax Collector is not able to provide an estimate of the additional revenues at this time.

7. As noted in Attachment III, provided by the Treasurer, the transient merchant revenues to the City in FY 1997-98 were \$3,020, in FY 1998-99 were \$41,234.38, and in FY 1999-2000, as of March 31, 2000, are \$16,006.31. As noted above, under the proposed ordinances, projected revenues in FY 2000-2001 would be approximately \$1,500 annually, plus any additional revenues resulting from automation of the collection system.

In FY 2000-2001 transient merchant revenues could be reduced by approximately \$19,833 annually, from the Budget Analyst's projected FY 1999-2000 revenues of \$21,333 (Comment No. 5) to approximately \$1,500. However, the Budget Analyst notes that data on transient merchant revenues, including quarterly license fees and Gross Receipts taxes, is historically limited, and therefore, actual reductions in revenues resulting from the proposed ordinances could vary from the projected amount.

8. According to the Treasurer/Tax Collector, the Tax Collector's Office expects to reallocate staff time to other more significant revenue collection activities, such as unregistered business compliance activity, if less staff time is required to enforce the transient merchant requirements, including reporting and paying tax on gross receipts. As stated in Attachment III, although the Tax Collector's Office does not have specific dedicated staff for transient merchant activities, staff time and costs, resulting from Tax Collector Investigators enforcing the existing transient merchant ordinances, Licensing staff issuing transient merchant licenses, and Cashiers processing the payments, would be reduced.



Memo to Finance and Labor Committee  
April 26, 2000 Finance and Labor Committee Meeting

Additionally, Attachment III states that "it is anticipated that we will recognize further cost savings and enhanced collections due to the redeployment of investigators, who will be able to concentrate on potentially more lucrative investigation activities".

9. As stated in File 00-0432, the proposed ordinance would require that the provision to obtain a transient merchant license would be enforced by administrative citation. According to Mr. George Putris, Tax Administrator, the proposed administrative citation program is currently being developed. Mr. Putris states that actual fines have not yet been determined but that the proposed administrative citation program would be a minor source of revenue to the City. Mr. Putris states that, under the proposed administrative citation program, Tax Collector Investigators would be authorized to issue citations and handle them administratively.

**Summary:**

Currently, the City requires all transient merchants to (a) pay \$500 quarterly license fees to the City, (b) obtain a \$5,000 financial bond, (c) file quarterly reports with the City, (d) pay a Gross Receipts Tax of 10 percent on transient merchant's gross sales which exceed \$5,000. Additionally, the Administrative Code imposes certain criminal sanctions for failure to comply with these provisions.

Approval of the proposed ordinances would exempt transient merchants who lease space at either the Moscone Center or Bill Graham Civic Auditorium from all the transient merchant requirements noted above, including the quarterly license fee. Additionally, for transient merchants who lease space at locations other than the Moscone Center or Bill Graham Civic Auditorium, approval of the proposed ordinances would (a) reduce the quarterly license fee payable by the transient merchants to the City from \$500 per quarter to \$150 per quarter, (b) eliminate the Gross Receipts Tax, (c) eliminate the requirement that transient merchants file



Memo to Finance and Labor Committee  
April 26, 2000 Finance and Labor Committee Meeting

quarterly reports with the Tax Collector's Office containing the amount of gross receipts received, and (d) provide for enforcement of the Administrative Code provisions governing transient merchants by the issuance of administrative citations.

All of these new provisions would be in effect during a proposed suspension period, which would extend from the effective date of this ordinance to 30 days after the Board of Supervisors repeals the ordinance.

According to the Treasurer/Tax Collector, in FY 1997-1998, the City collected \$3,020 in transient merchant quarterly license fees and Gross Receipts taxes. In FY 1998-1999 the City collected \$41,234 and in FY 1999-2000, as of March 31, 2000, the City has collected \$16,006 in such fees and taxes. Under the proposed ordinances, the City would only collect the quarterly license fees from transient merchants who lease space at locations other than Moscone Center and Bill Graham Civic Auditorium. The Treasurer/Tax Collector estimates that annual revenues from such fees would be approximately \$1,500, plus additional revenues resulting from automation of the quarterly license fee collection system. The Budget Analyst projects FY 2000-2001 transient merchant revenues of \$21,333, based on revenues of \$16,006 collected in the first 9 months of the fiscal year. Therefore, upon approval of the proposed ordinances, transient merchant revenues from quarterly license fees could be reduced by approximately \$19,833 annually, from the Budget Analyst's projected FY 1999-2000 revenues of \$21,333 to approximately \$1,500. However, the Budget Analyst notes that data on transient merchant revenues, including quarterly license fees and Gross Receipts taxes, is historically limited, and therefore, actual reductions in revenues resulting from the proposed ordinances could vary from the projected amount.

Memo to Finance and Labor Committee  
April 26, 2000 Finance and Labor Committee Meeting

As shown in Attachment I, Mr. Jack Moerschbaeher, the City's Convention Facilities Director, reports that Convention Center customers have expressed concern about application of the transient merchant tax to merchants who have exhibits at trade shows and conventions. According to Mr. Moerschbaeher, the San Francisco Convention and Visitors Bureau and Moscone Center "have received numerous communications (from Convention Center customers) protesting the potential application of this tax to their shows". Mr. Moerschbaeher states that, if 17 Convention Center customers who have expressed concern about paying the tax were to transfer their business to other cities, the City would lose an estimated \$4,300,000 in Convention Center revenues. Additionally, Mr. Moerschbaeher states that a survey of 9 cities, including 7 California cities (Anaheim, Burbank, Fresno, Los Angeles, San Diego, San Jose, and Santa Clara), Portland, Oregon, and Las Vegas, Nevada, shows that none of the 9 cities impose a transient merchant tax. Additionally, Mr. Doug Neilson of the Convention and Visitors Bureau reports that the subject transient merchant tax has been "sporadically enforced, at best, for many years", as shown in Attachment II.

**Recommendation:** Approval of the proposed ordinances is a policy matter for the Board of Supervisors.

## City and County of San Francisco

## San Francisco Convention Facilities



Willie Lewis Brown, Jr.  
*Mayor*

Jack Moerschbaeher  
*Director*

October 12, 1999

The Honorable Susan Leal  
Treasurer / Tax Collector  
City Hall - Room 140  
Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

Re: Transient Merchant Tax

Dear Susan:

I would like to provide you with more data to help us assess the likely damage to the City's convention business if the transient merchants tax continues to be applicable to our convention facilities.

As you are aware, this tax currently could be imposed upon exhibitors at conventions / tradeshow if they intend to sell product from their booths. In our industry, the exhibit element of a trade show is critical to the survival of that show. The financial success of a convention / tradeshow is determined not by attendance fees, but by the charges to exhibitors for exhibit space. Maximizing exhibitor participation and exhibit space sold is the goal of our customers. Therefore, it should come as no surprise that the Convention and Visitors Bureau and the Moscone Center have received numerous communications protesting the potential application of this tax to their shows. The letters and calls have ranged from expressions of concern to outrage.

Attached to this letter is a list of those customers who have been vocal to date. They have paid or will pay the City \$4.3 million in direct revenue along with tens of millions of dollars in hotel tax and sales tax. Fifteen of these customers are also repeat customers that have placed San Francisco in their rotation patterns. Risking loss any one of these seventeen groups to San Diego, Las Vegas or Anaheim over the transient merchants tax makes no sense. The information provided is specifically limited to those shows that have formally protested the transient merchant tax. Each day the list grows longer.

While the transient merchant tax might be seen as an appropriate levy on a merchant at a consumer show in some small venue in the City, the imposition on customers that have paid the City millions in taxes and revenues and who could choose to go elsewhere seems imprudent.

Please contact me if you need further information.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Jack Moerschbaeher".

Jack Moerschbaeher

MEMORANDUM

DATE: April 17, 2000

TO: Severin Campbell, Budget Consultant

FROM: Doug Neilson, San Francisco Convention & Visitors Bureau

RE: **TRANSIENT MERCHANT TAX**

The city's *Transient Merchants Tax* code has been sporadically enforced, at best, for many years. When there has been an effort to enforce it, it has been adamantly opposed by convention and tradeshow organizers, and viewed by them as being nickel-and-dimed when San Francisco is already one of the most expensive cities in which to hold an event. It would also be a tremendous administrative nightmare for them as well as everyone else involved.

Most recently, four (4) convention and tradeshow organizers voiced their strong resentment toward such a tax if implemented during their event. By name they are: MacWorld, the National Association of Elementary School Principals, the American Speech-Language-Hearing Association, and the National School Boards Association. Together, these organizations and their attendees have or will spend over \$35,000,000 in the city during their stay and over \$850,000 in Moscone Center in rent and food & beverage alone.

The four (4) examples given above represent only a small sample of the 55 to 60 conventions and tradeshows that meet in Moscone Center on an average each year. Most of the groups occupying the convention center that have an exhibition component as a part of their event, do have exhibitors who sell product during the event. However, it is only a very small percentage of the total number of exhibiting companies.

Currently, most of these groups are not even aware of the merchant tax. If, and when, they are made aware of it, we will have a larger problem on our hands and will give a definite edge to all the California cities we compete with, which do not impose the tax.

The amount of money the city could ever hope to collect in merchant taxes would be insignificant to the total revenues generated by conventions and tradeshows. However, the revenues lost by the cancellation of just one convention due to the enforcement of this tax code could never be redeemed from all the merchant taxes the city could ever hope to collect for many years to come.

If you have any further questions, please do not hesitate to call me at 227-2614. Thank you.

cc: Jack Moersbachner, City and County of San Francisco  
John Marks, San Francisco Convention & Visitors Bureau

SAN FRANCISCO CONVENTION & VISITORS BUREAU • 201 Third Street, Suite 900 • San Francisco, CA 94103-3185

Tel 415 974 6900 • Fax 415 227 2602 • TTY 415 227 2619 • San Francisco FastFax in US and Canada 1 800 220 5747 • Web Site [www.sfvb.org](http://www.sfvb.org)

# Office of the Treasurer

## & Tax Collector

City and County of San Francisco

City Hall, Room 140

#1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102



SUSAN LEAL, Treasurer

JAY BANFIELD, Chief Assistant Treasurer

Phone: (415) 554-4478

## MEMORANDUM

To: Severin Campbell, Budget Analyst  
 From: Francis Nguyen, Head of Property Tax License Division  
 Florence Mar, Director, Bureau of Delinquent Revenue  
 Date: April 19, 2000  
 Re: Transient Merchant Fees

The numbers below reflect total amounts collected under the Transient Merchants Ordinance in recent years (based upon the \$500.00 registration fee, plus 10% surcharge on sales over \$5,000).

Note that in FY98-99, our office began a collaborative effort with San Francisco Convention Facilities to proactively inform vendors of their obligation to register with our office, and the increase in collections reflects this effort.

<u>FISCAL YEAR</u>	<u>AMOUNT COLLECTED</u>
FY96-97	\$3,736.40
FY97-98	\$3,020.00
FY98-99	\$41,234.38
FY99-00	\$16,006.75 (as of 03/31/00)

The new ordinance proposes that the surcharge be eliminated, and that the registration fee be set at \$150.00, the average amount charged to local businesses who register with our office. Under the new ordinance, we will collect a \$150.00 quarterly registration fee from transient merchants who exhibit at venues other than Bill Graham and Moscone Center. Last year, there were 10 such vendors who registered with our office.

We are currently working on contacting exhibit halls in an effort to automate this process as much as possible, which will reduce our time and expense in enforcing this ordinance. Under the existing ordinance, the staff time required includes an Investigator (a total of 2-3 weeks FTE at a salary range of \$2326-3489), plus License division time to issue the paperwork, and Cashier division time to process the payments.

It is anticipated that we will recognize further cost savings and enhanced collections due to the redeployment of investigators, who will be able to concentrate on potentially more lucrative investigation activities. However, the net impact of this ordinance revision on our total collections is uncertain.



Item 15 - File No. 00 - 0598

**Department:** Public Utilities Commission (PUC)  
Department of Public Works (DPW)  
Department of Parking and Traffic (DPT)

**Item:** Resolution approving the expenditure of funds for the emergency work to perform immediate remedial improvements to the sewer located on 4<sup>th</sup> Street between Bryant Street and Brannan Street.

**Amount:** \$542,540 Estimated Project Costs

**Source of Funds:** 1995B Sewer Bond under Job Order No. 0140J

**Description:** The Public Utilities Commission (PUC) advises that on February 15, 2000, PUC Sewer Operations identified an emergency condition on 4<sup>th</sup> Street between Bryant Street and Brannan Street. The sewer had failed and immediate replacement was required in order to protect the health, welfare, and property of the citizens of San Francisco. On February 23, 2000, the PUC declared the sewer replacement an emergency. The repair work consisted of replacing the existing 42-inch diameter sewer with approximately 600 feet of 42-inch diameter fiberglass pipe and 42 feet of 12-inch diameter clay pipe on 4<sup>th</sup> Street.

According to Mr. P.T. Law of the Department of Public Works (DPW), in accordance with Section 6.60 of the Administrative Code, the PUC initiated expedited contract procedures on February 23, 2000, to procure the necessary construction services. D'Arcy & Harty Construction, Inc., submitted the lowest quotation and was awarded the contract in the amount of \$447,890. According to Mr. Law, the estimated sewer replacement cost is \$542,540, of which \$447,890 is for a construction contract and \$94,650 is for DPW planning, design and construction support, and Department of Parking and Traffic (DPT) traffic management.

Final project costs will be determined when the final documentation provided by the contractors is received and reviewed. According to Ms. Christine Tang of the PUC, the



final project costs are not expected to exceed the estimated total of \$542,540.

**Budget:** The estimated cost of the project is \$542,540, including \$447,890 for construction contract costs is shown below.

Final Construction Contract	\$447,890
DPW Bureau of Engineering	50,650
DPW Bureau of Construction Management	38,000
DPT Traffic Management	<u>6,000</u>

Estimated Cost	\$542,540
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**Comments:** 1. Invitations for proposals were faxed to 18 contractors on February 24, 2000. Two quotations were received by PUC from qualified contractors on February 29, 2000. The PUC reports that D'Arcy & Harty Construction, Inc., submitted the lowest quotation and was awarded the contract in the amount of \$447,890. The following table lists the contractors who submitted quotations, the amounts of the quotations and the LBE status of the contractors:

<u>Contractor</u>	<u>Quotation</u>	<u>LBE Status</u>
D'Arcy & Harty	\$447,890	LBE
K.J. Woods	\$468,000	LBE

2. Mr. Law reports that the work commenced on March 2, 2000 and was completed on March 28, 2000.

3. Attachment I, provided by DPW, contains a description of the subject sewer replacement work. Attachment II provided by DPW, contains further budget details for engineering and construction management costs of the sewer replacement project. Attachment III, provided by DPT, contains DPT traffic management budget details for the project.

**Recommendation:** Approve the proposed resolution.

SECTION 02722SEWERAGE SYSTEMSPART 1 - GENERAL

## 1.01 DESCRIPTION

## A. Work Included: The work specified in this Section includes:

1. Construction of 42-inch Hobas Fiberglass Pipe main sewers on crushed rock bedding.
2. Sliplining existing 3'x5' brick wing with 12-inch diameter no-dig vitrified clay pipe (VCP).
3. Construction of 10-inch diameter vitrified clay pipe (VCP) culverts.
4. Lining existing 3'x5' brick wing with 1-inch thick spray mortar (deletable item).
5. Construction of cast-in-place or precast concrete manholes.
6. Televising existing active side sewers (quantity can be increased or decreased).
7. Repair and replacement of existing side sewer (deletable item).
8. 6 or 8-inch diameter side sewer connections (quantity can be increased or decreased).
9. Removal of existing sewers and sewer structures.
10. At the conclusion of work, cleaning existing catchbasins located within the project limit.
11. Post construction television inspection of newly constructed main sewers.
12. Connections to and between sewers, structures and culverts.
13. Furnishing and installing cast iron water trap including cleanout cap for catchbasin (deletable item).
14. Backfilling voids underneath the pavement with sand outside the sewer trench limit (quantity can be increased or decreased).

CW-274E

15. Removal of cable car tracks and yokes within sewer trench (deletable item).
16. Handling, transportation and disposal of hazardous waste, toxic materials and serpentine soils including all incidental work (deletable item).
17. Temporary repair and monitoring existing sewer line.
18. Plugging existing culverts
19. Plugging and filling existing sewers and filling annular space between existing 3'x5' brick wing and new no-dig VCP with slurry grout.

1.02 RELATED WORK SPECIFIED ELSEWHERE

- A. Other contract documents, including Drawings, Relevant Sections of the SFDPW Standard Specifications and these Specifications apply to the work specified herein.
- B. Division 1, General Requirements.
- C. Section 02225 and Section 01570

1.03 REFERENCES

- A. Department of Public Works Standard Specifications, July, 1986.
- B. ANSI/ASTM C12 - Practice for Installing VCP Lines.
- C. ANSI/ASTM C-425 - Compression joints for VCP and fittings.
- D. ASTM C1208 - Standard Specifications for VCP pipe and joints for use in Jacking, Sliplining and Tunnels.

1.04 SUBMITTALS

- A. Furnish six copies of the certified report of the actual test results for VCP pipes meeting the requirements of ASTM C700 for approval by Engineer in accordance with the requirements of Section 305.05 of the SFDPW Standard Specifications.

4/13/00

**Cost Breakdown for ( J.O. # 0140J, Contract #CW-274E)  
4TH Street Sewer Replacement**

**Bureau of Engineering**

Classification	Title	Rate	Hours	Cost
5210	Senior Civil Engineer	\$ 114	8	\$ 912
5248	Sanitary Engineer	\$ 98	15	\$ 1,470
5206	Associate Civil Engineer	\$ 85	70	\$ 5,950
5204	Assistant Civil Engineer	\$ 71	121	\$ 8,591
5202	Junior Civil Engineer	\$ 50	140	\$ 7,000
5366	Civil Engineering Associate II	\$ 73	299	\$ 21,827
5381	Engineering Student Trainee II	\$ 43	41	\$ 1,763
1426	Secretary	\$ 49	64	\$ 3,136
				\$ 50,649
Rounded:				\$ 50,650

**Bureau of Construction Management**

Classification	Title	Rate	Hours	Cost
5210	Senior Civil Engineer	\$ 114	12	\$ 1,368
5208	Civil Engineer	\$ 98	25	\$ 2,450
5204	Assistant Civil Engineer	\$ 71	182	\$ 12,922
6318	Construction Inspector	\$ 83	256	\$ 21,248
Total				\$ 37,988
Rounded:				\$ 38,000

## PROJECT SUPPORT ESTIMATE

Project 4th Street Emergency, Sewer Replacement  
Between Bryant and Braman  
Specifications: 0140J; Contract No. CW274E

Construction Estimate  
Duration Emergency

Personnel	Class 5232 Sr Traffic Engr	Class 5230 Traffic Engr	Class 5228 Assoc TE	Class 5228 Asst TE	Class 5362 Civil Engr Asst.
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## DUTIES &amp; RESPONSIBILITIES

## HOURS

DP-Attend Project Meetings	2	4			
DP-Prepare Plans, Specifications & Estimate					
DP-Pre-bid meeting, RFI, Addendum, etc					
CP-Prepare & Attend Project Pre-const Mtg					
CP-Review Traffic Control Plan Submittals		16			8
CP-Respond to other submittals					
CP-Respond to RFI & Other Related Traffic Issues		4			
CP-Attend Mtgs W/ Project staff & Contractor		2			
CP-Attend Project Progress Meeting		4			
Project Field Inspection During Construction		16			
Attend Final Walk Thru and Inspection		4			

TOTAL DAYS	0.25	0.5	5.75	0	1
RATEDAY	\$ 575.00	\$ 500.00	\$ 450.00	\$ 175.00	\$ 375.00
COST	\$ 143.75	\$ 250.00	\$ 2,587.50	\$	\$ 375.00
TOTAL COST	\$	\$ 3,356.25			

## RESTORING EXISTING STRIPING

## ITEMS

4" Broken White  
Raised Pavement Markers  
12" Crosswalk  
Pavement Markings

Quantity	Unit	Cost/Unit	Cost
800	Lin Ft	\$ 2.00	\$ 1,600.00
50	Pcs	\$ 5.00	\$ 250.00
25	Square Ft	\$ 2.50	\$ 62.50
0	Square Ft	\$ 3.00	\$
	TOTAL		\$ 1,912.50

TOTAL COST	\$ 5,268.75
Contingency (+/- 5%)	\$ 6,059.06
TOTAL (say)	\$ 8,000.00

Items 16, 17 and 18 – Files 00-0606, 00-0609, and 00-0610

**Department:** Airport  
Department of Real Estate (DRE)

**Item:** File 00-0606

Resolution authorizing the Director of Property to acquire 1,764 noise easements from the owners of 1,764 properties in Daly City, San Bruno, and unincorporated San Mateo County as part of the Airport's Aircraft Noise Insulation Program.

File 00-0609

Resolution authorizing the Director of Property to acquire 318 noise easements from the owners of 318 properties in Daly City, Pacifica, San Bruno, South San Francisco, and unincorporated San Mateo County as part of the Airport's Aircraft Noise Insulation Program.

File 00-0610

Resolution authorizing the conveyance of one quitclaim deed to a property owner in Pacifica to rescind a noise easement previously acquired by the Airport.

**Amount:** \$34,200,000

**Source of Funds:** Airport Capital Projects Commercial Paper Fund

**Description:** In 1992, the Airport entered into a Memorandum of Understanding (MOU) with the five neighboring cities of Daly City, Millbrae, Pacifica, San Bruno, and South San Francisco and the unincorporated area of San Mateo County, to pay for a portion of the costs of insulating private residences in those cities against aircraft noise. The Airport has committed up to \$120,000,000 to provide funds to the five cities which have signed the MOU with the Airport. The proposed resolution, File 00-0606, would increase the allocation by \$34,200,000.

In addition, the Federal Aviation Administration (FAA) provides funding, generally in the amount of 80 percent of

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



the costs, to insulate private residences within the 1995 Noise Exposure Map (NEM) area around the Airport. The 1995 NEM area is smaller than the area covered by the Airport's MOU with the five neighboring cities. For properties in the 1995 NEM area receiving 80 percent FAA noise insulation funding, the Airport pays the remaining 20 percent of the insulation costs.

By providing funds to cover the costs of insulating residences against Airport noise, the Airport can eliminate potential lawsuits through obtaining noise easements from the property owners which permit the Airport to conduct flight operations that would cause noise and vibration on the properties. According to the DRE, to date the Airport has acquired approximately 8,000 noise easements for properties located in the five MOU signatory cities.

File 00-0606

Approval of this resolution would authorize the Airport to acquire 1,764 noise easements from property owners in Daly City, San Bruno, and unincorporated San Mateo County. These dwellings are all located in the area closest to the Airport, which is the noisiest area covered by the Airport's MOU. The proposed easements are among the list of anticipated easements submitted annually by the cities to the Airport's Finance Department. These noise easements would remain in effect for 20 years. The total estimated insulation costs of \$34,200,000 would be expended from the Airport Capital Projects Commercial Paper Fund. \$22,400,000 of the funds would be used to insulate 1,260 homes that are outside of the 1995 NEM area and, therefore, ineligible for FAA funding at an average unit cost of \$17,778 per home. \$11,800,000 of the funds would be used to insulate 504 homes that are within the 1995 NEM area at a unit cost to the Airport of \$4,683 per home (representing the Airport's 20 percent share of the total cost per home of \$23,412). The estimated cost to insulate the homes allows for unanticipated changes in insulation costs and changes in the designation of the noise insulation area. The cities that are located within the 1995 NEM area are eligible for FAA grant funds and must apply to receive the FAA grant

funds. The Airport would advance up to a maximum of \$34,200,000 (\$22,400,000 plus \$11,800,000) to expedite completion of this project. Daly City, San Bruno and San Mateo County would then reimburse the Airport for the advanced funds if FAA grant funds become available. The FAA has committed approximately \$2,000,000 in grant funds for San Bruno. The FAA will make the grant funds available to San Bruno as various phases of the projects are completed and the FAA has received and reviewed the required grant documentation.

File 00-0609

Approval of this proposed resolution would authorize the Airport to acquire 318 noise easements from property owners in Daly City, Pacifica, San Bruno, South San Francisco, and unincorporated San Mateo County. The Airport is required under the 1992 MOU to obtain approval from the Board of Supervisors of new addresses of proposed easements before it can acquire the noise easements from the homeowners. These addresses are in addition to the list of anticipated easements submitted annually by the five neighboring cities to the Airport's Finance Department. This new list, in addition to those previously submitted, includes all eligible dwellings covered by the Airport's MOU. Anticipated funding for the 318 easements would be provided by available unspent funds of other easement projects, interest earnings and FAA reimbursements. These easements would remain in effect for 20 years. The Airport estimates that the cost to insulate 318 homes, at an average cost per home of \$15,000, would amount to \$4,770,000. Portions of the cities of San Bruno and South San Francisco are eligible for an 80 percent reimbursement of the costs by the FAA. The Airport is uncertain of the number of homes in San Bruno and San Francisco that are eligible for the FAA reimbursement. The cities of Millbrae, Pacifica and San Bruno have \$11,900,000 in remaining allocations under the 1992 MOU Noise Insulation Program total allocation of \$120,000,000. All of these funds, however, are committed to noise easement projects under the 1992 MOU already approved by the Board of Supervisors. According to Ms. Osaki, the FAA has committed an estimated \$5,000,000 in grant funds for San Bruno and

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

\$140,000 in grant funds for Millbrae as a contribution to the remaining MOU allocation of \$11,900,000. The grant funds will be made available to San Bruno and Millbrae as various phases of the project are completed and the FAA has received and reviewed the required grant documentation.

File 00-0610

Approval of this proposed resolution would permit one property owner, from whom the Airport had previously acquired a noise easement, to withdraw from the Aircraft Noise Insulation Program (i.e. "quitclaim" a previously authorized easement). The Noise Insulation Program contract permits homeowners to withdraw from the program if they choose. The subject property is located in Pacifica.

**Comments:**

1. With regard to the proposed quitclaim deed under File 00-0610, Ms. Osaki states that the Airport has already paid \$15,000 to the City of Pacifica for the easement from the property owner who now wishes to withdraw from the Aircraft Noise Insulation Program. Attachment I is a memorandum provided by Ms. Osaki addressing the reimbursement of such funds to the Airport. Attachment II is a memorandum provided from Mr. Harry Quinn of the DRE explaining why the property owner wants to withdraw from the Aircraft Noise Insulation Program.

2. Ms. Paula Jesson of the City Attorney's Office, advises that the proposed quitclaim deed under File 00-0610, which would rescind the noise easement purchased by the Airport from one property owner, would create no new legal exposure for the Airport because the owner of the property in question has voluntarily declined to participate in the publicly funded Aircraft Noise Insulation Program. The Airport will still have complied with State airport noise regulations by virtue of having offered noise insulation to this homeowner, according to Ms. Jesson.

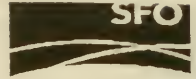
3. The City Attorney's Office has affirmed that the purchase of noise easements enables the City to comply

Memo to Finance and Labor Committee

April 26, 2000 Finance and Labor Committee Meeting

with State legal requirements and should result in eliminating costs to defend against noise-related lawsuits.

**Recommendation:** Approve the proposed resolutions.



San Francisco International Airport

PO Box 8097  
 San Francisco, CA 94128  
 Tel 650 794 5000  
 Fax 650 794 5005  
 www.flysfo.com

April 12, 2000

Bryce Sutherland  
 Budget Analyst's Office  
 1390 Market Street  
 Suite 1025  
 San Francisco, CA 94102

AIRPORT  
 COMMISSION  
 CITY AND COUNTY  
 OF SAN FRANCISCO

File: 00-0610

WILLIE L. BROWN JR.  
 MAYOR

Dear Mr. Sutherland:

HENRY E. SERMAN  
 PRESIDENT

Advances previously disbursed for quitclaim deeds are reimbursed to the Airport through adjustments made in subsequent advances paid to the cities.

LARRY MAZZOLA  
 VICE PRESIDENT

Very truly yours,

MICHAEL S. STRUNSKY

LINDA S. CRAYTON

CARL ITO

Sally Osaka  
 Senior Administrative Analyst

JOHN L. MARTIN  
 AIRPORT DIRECTOR

h:\noise\quitclaim.doc

## City and County of San Francisco

Real Estate Division  
Administrative Services Department

## M E M O R A N D U M

April 11, 2000

**TO:** Harvey Rose  
Budget Analyst

**FROM:** Harry J. Quinn *HJ*  
Assistant Director of Property

**SUBJECT:** Resolution authorizing conveyance of one quitclaim deed to property owner in Pacifica to rescind grant of noise easement previously acquired.

In conversation between Bryce Sutherland of your staff and John Panieri of this Division, the following is a summary of the most common reasons, based on our understanding, that property owners have given for wanting to withdraw from the noise insulation program:

1. Owners want to sell the uninsulated home and not commit a potential buyer to the rights that are granted to the Airport under the easement;
2. Owners want to withdraw from the program because some aspect of the planned insulation fails to meet their perceived expectations; and
3. Owners do not want to pay for additional structural repairs that are not covered under the MOU programs, i.e., dry wood rot damage to be corrected before installation of acoustical windows and doors.

Should you have any questions regarding this matter, please call John Panieri at 554-9864.

cc: *✓* Bryce Sutherland, Budget Analyst

HQ/JP/wtc  
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Memo to Finance and Labor Committee  
April 26, 2000 Finance and Labor Committee Meeting

Item 19 - File 00-0613

**Department:** Department of the Environment  
Department of Real Estate

**Item:** Resolution authorizing a new lease at 1212 Market Street for the Department of the Environment and accepting donations of materials and services.

**Location:** 1212 Market Street (basement, ground and first floors)

**Purpose of Lease:** Retail area, office space and bicycle storage

**Lessor:** Yully Company, LLC

**Lessee:** City and County of San Francisco

**No. of Sq. Ft. and Rent Per Month:** 4,263 square feet for \$10,536 per month (\$126,432 annually). Approximately \$2.67 per square foot per month for the 3,763 in retail and office space, and approximately \$1.00 per square foot per month for the 500 square feet of basement bike storage space.

**Annual Rent:** \$126,432. This annual rent would be adjusted beginning October 1, 2000 and each following October 1, to cover increases in the Landlord's operating expenses. Adjustments would be based on the Building Owners and Managers Association Experience Exchange Report (BOMA).

**Source of Funds:** According to Ms. Francesca Vietor of the Department of the Environment, the \$10,536 in monthly rent is included in the Department of the Environment's Fiscal Year 2000-2001 budget request.

**Term of Lease:** Four years, commencing upon completion of the tenant improvements. The lease is scheduled to begin July 1, 2000 and to terminate June 30, 2004.

**Right of Renewal:** One one-year option to extend. Rent during the extension term will be adjusted by the annual percentage increase in the Consumer Price Index (CPI).

**Utilities and**

**Janitorial Services:** Landlord is responsible for utility and janitorial services.

**Tenant**

**Improvements:** The Landlord is providing the majority of improvements at an estimated total cost of \$80,000 to \$85,000, for remodeling. The City is to pay the Landlord a City contribution to these improvements of up to \$20,000, and the Landlord will pay for the balance of the costs, estimated to be up to \$65,000.

**Description:**

The proposed resolution would authorize a new lease of real property at 1212 Market Street for the Department of the Environment. The proposed lease for a total of approximately 4,263 square feet will be used for three main purposes: (a) 2,069 square feet on the ground floor for an EcoCenter; (b) 1,694 square feet on the first floor for office space; and (c) 500 square feet in the basement for bicycle storage.

According to Mr. Dunn of the Department of Real Estate, the EcoCenter on the ground floor (2,069 square feet) will provide public education and outreach on local environmental issues, in accordance with the Department of the Environment's Charter mandate. The EcoCenter will include educational displays, a library of environmental documents, and two computer kiosks available to the public for research. Mr. Dunn advises that the EcoCenter will also be used as a pilot program for the Resource Efficient Building program, as required under the Resource Efficient Building Ordinance passed by the Board of Supervisors in July of 1999. This pilot program will demonstrate the use of environmentally-sound building materials, such as non-toxic paints and energy-efficient lighting. Mr. Dunn reports that the Department of the Environment has approached several vendors for donations of such environment-friendly materials. The proposed resolution would also authorize the acceptance of these donations (See Comment No. 2 for details).

According to Ms. Vietor, the office space (1,694 square feet) on the first floor will be used to house Department of the Environment staff members, providing approximately 212 square feet for each of the eight employees assigned to work in the space. According to Mr. Dunn, this allotment of 212

square feet per employee is reasonable given current employee needs and market conditions. In addition, Ms. Vietor advises that three staff members and approximately four interns will be housed on the ground floor in the 2,069 square foot EcoCenter. According to Mr. Dunn, the 500 square feet in the basement for bicycle storage will be available to Department of the Environment employees, as mandated by the Bicycle Parking Ordinance.

**Comments:**

1. According to Mr. Dunn, the monthly rent of \$10,536 (approximately \$2.67 per square foot per month for the 3,763 in retail and office space, and \$1.00 per square foot per month for the 500 square feet of bike storage space) represents fair market value.

2. As previously stated, the proposed resolution would authorize the Department of the Environment to accept donations of environmentally-friendly building materials to demonstrate the use of these materials in the proposed premises. Mr. Dunn reports that the Department of the Environment is currently in the process of requesting donations from a variety of vendors. Mr. Dunn anticipates that the donations will total an estimated \$5,900 and include materials such as carpet, paint and energy-efficient lighting fixtures.

3. According to Mr. Dunn, the Department of the Environment is currently located at 1540 Market Street, and has been since the Department was first created in 1997. According to Mr. Dunn, this location has been considered temporary until a space could be located that would house an increased number of staff and allow the Department of the Environment to fulfill its mandate to conduct public education and outreach. The Department of the Environment currently occupies 1,225 square feet at 1540 Market Street and houses seven employees, for an average of 175 feet per employee. As previously noted, the new location at 1212 Market Street will house a total of eleven employees and approximately four interns. Eight of those employees will be stationed on the first floor of office space (1,694 square feet), providing approximately 211 square feet per employee. Three additional staff members, together with approximately four interns, will be stationed

on the ground floor, where approximately 2,069 square feet will be dedicated to an EcoCenter for public use.

4. According to Mr. Dunn, the Department of the Environment rents its current space at 1540 Market Street on a month-to-month basis for \$1,568 per month, or \$1.28 per square foot per month. Under the new lease at 1212 Market Street, the rent would increase from \$1,568 per month to \$10,536 per month (\$2.67 per square foot of office/retail space per month and \$1.00 per square foot of bicycle storage), an increase of \$8,968 per month, or 572 percent. Mr. Dunn advises, as previously stated, that the current location at 1540 Market Street does not meet the Department of the Environment's needs, and was intended to be temporary. Mr. Dunn advises that the current location cannot accommodate additional staff, does not have a conference room, and does not allow the Department to meet its mandate to conduct public education and outreach. According to Mr. Dunn, as soon as the Department of the Environment moves out of its current location at 1540 Market Street, currently scheduled for July 1, 2000, the City plans to lease the space for another City department.

5. According to Ms. Vietor, at the end of Fiscal Year 1999-2000, the Department of the Environment anticipates a surplus of \$97,000, realized from savings in personnel, rent and overhead costs. Ms. Vietor advises that this surplus will be used to fund costs associated with moving to the new location and the one-time costs of setting up the new EcoCenter, including tenant improvements, new equipment and supplies. As previously stated, the Department of the Environment currently has seven employees. The Department of the Environment is currently seeking grant funding for an eighth employee and anticipates that other City departments will house three employees working on environmental issues in the new Department of Environment location and EcoCenter.

6. As noted above, the proposed lease would result in a 572 percent increase in rent and provide 2,069 square feet of space for public outreach and education. Because the significant increase in rent is due largely to the provision of the new EcoCenter service that has not heretofore been funded in the Department of the Environment's budget, the

Memo to Finance and Labor Committee  
April 26, 2000 Finance and Labor Committee Meeting

Budget Analyst considers approval of the proposed resolution to be a policy matter for the Board of Supervisors.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors, in accordance with Comment No. 6 above.

Memo to Finance and Labor Committee  
April 26, 2000 Finance and Labor Committee Meeting

Item 20 - File 00-0464

**Departments:** Department of Public Works (DPW)  
Public Library

**Item:** Ordinance appropriating \$205,537 of State Library Capital Improvement Grant interest earnings for the design and installation of an air conditioning system at the Chinatown Branch Library in FY 1999-2000.

**Amount:** \$205,537

**Source of Funds:** DPW estimates that the total project cost would be \$314,000. This would be funded as follows:

<u>Funding Source</u>	<u>Previously Appropriated Funds<sup>1</sup></u>	<u>Currently Unappropriated Interest Earnings</u>	<u>Total</u>
Library Capital Improvement Bond Fund interest earnings	\$41,082		\$41,082
State Library Capital Improvement Grant revenues	<u>67,381</u>	<u>\$205,537</u>	<u>272,918</u>
<b><u>TOTAL</u></b>	<b>\$108,463</b>	<b>\$205,537</b>	<b>\$314,000</b>

**Description:** The subject ordinance would appropriate \$205,537 of interest earnings from State Library Capital Improvement Grant revenues to design and install an air conditioning system at the Chinatown Branch Library in FY 1999-2000.

**Budget:** A summary project budget, prepared by DPW, is shown on the following page.

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<sup>1</sup> Both (a) \$41,082 in previously appropriated Library Capital Improvement Bond Fund interest earnings, and (b) \$67,381 in previously appropriated State Library Capital Improvement Grant revenues are the unexpended balances of appropriations made to renovate the Chinatown Branch Library between 1994 and 1996 (see Comment No. 1).



<u>Description</u>	<u>Estimated Cost</u>
Building permit	\$2,500
Contract preparation	3,000
Project management	8,000
Mechanical performance specifications design	12,000
Electrical design	5,000
Structural design	1,500
Landscape design	3,500
Construction costs	230,000
Mechanical construction support services	3,000
Electrical construction support services	1,500
Structural construction support services	1,500
Landscape construction support services	1,500
Construction management	18,000
Construction contingency (10 percent of construction costs)	<u>23,000</u>
<b>TOTAL</b>	<b>\$314,000</b>

**Comments:**

1. The original appropriation for the Chinatown Branch Library renovation project was \$4,573,605. Subsequent appropriations totaling \$5,093,270 increased the total project appropriation by approximately 111 percent to \$9,666,875, according to Mr. George Nichols of the Public Library. Subsequent interest earnings on State Library Capital Improvement Grant revenues in the amount of \$205,537 and miscellaneous Federal funds in the amount of \$52,408 further increased the total available funds to \$9,924,820, according to Mr. Nichols. The renovation project cost a total of \$9,550,921, leaving an unexpended balance of \$373,899, of which \$314,000, would be expended for the design and installation of an air conditioning system under the subject ordinance. This proposed budget of \$314,000 comprises (a) \$108,463 in previously appropriated funds, and (b) \$205,537 in currently unappropriated interest earnings. The expenditure of \$314,000, out of the total available funding of \$373,899, would leave an unexpended balance in the amount of \$59,899.

2. The earlier expenditure of \$9,550,921 did not include the design and installation of an air conditioning system as the existing ventilation system was deemed sufficient at that time. However, due to subsequent temperature control problems in the Chinatown Branch Library, interior ambient air temperature monitoring was performed by both DPW and the Occupational Safety and Health Section of the Department of Public Health. According to Mr. Nichols, both monitoring organizations concluded that temperature control in the building is inadequate and is creating discomfort for both staff and patrons. Therefore, the Public Library is seeking to upgrade the existing ventilation system by adding an air conditioning system, according to Mr. Nichols.

3. To design and install the proposed air conditioning system, the proposed ordinance would authorize the funding of (a) DPW project management services, (b) DPW mechanical, electrical, structural, and landscape design services, and (c) contractor-provided construction services, as shown in the above budget. The Attachment, provided by Mr. Maurice Chee of DPW, contains further budget details. According to Mr. Nichols, the construction contract for the air conditioning system would be competitively bid.

4. Mr. Nichols states that DPW would commence the air conditioning system design and initial assessment work within 14 days of Board of Supervisors approval of the subject ordinance. It is estimated that the project would take approximately 275 days to complete, according to Mr. Nichols. Therefore, assuming that the Board of Supervisors appropriates the subject funds on May 1, 2000, the proposed project would be completed by January 31, 2001.

**Recommendation:** Approve the proposed ordinance.

Project Component	Class	Class Title	# Hours	Hourly Rate	Cost
Building Permit					\$2,500
Contract Preparation					\$3,000
Project Management	5256	Mechanical Engineer	88	\$91.00	\$8,008
Mech. Performance Spec. Design	5256	Mechanical Engineer	95	\$91.00	\$8,645
	5344	Mech. Eng. Asst. II	48	\$59.00	\$2,832
	1426	Senior Clerk Typist	18	\$34.00	\$612
Electrical Design	5238	Assoc. Electrical Engineer	36	\$79.00	\$2,844
	5352	Electrical Engineering Asst. II	40	\$54.00	\$2,160
Structural Design	5218	Structural Engineer	16	\$91.00	\$1,456
Landscape Design	5272	Asst. Landscape Architect	28	\$79.00	\$2,212
	5363	Civil Engineering Asst.	24	\$54.00	\$1,296
Construction Costs		Estimated Labor			\$74,000
		Estimated Materials			\$156,000
					\$230,000
Mech. Construction Support Services	5256	Mechanical Engineer	33	\$91.00	\$3,003
Electrical Construction Support Services	5238	Assoc. Electrical Engineer	19	\$79.00	\$1,501
Str Construction Support Services	5218	Structural Engineer	16	\$91.00	\$1,456
Landscape Support Services	5272	Asst. Landscape Architect	16	\$91.00	\$1,456
Construction Management	6318	Construction Inspector	227	\$79.00	\$17,933
Cost Contingency		10% of construction costs			\$23,000
TOTAL PROJECT COST					\$313,914

Source: Mr. Maurice Chee, Department of Public Works

Item 21 - File 00-0615

**Department:** Public Library  
Department of Public Works (DPW)

**Item:** Ordinance appropriating \$857,878 of Library Preservation Funds to support the relocation of the Ingleside Branch Library; to renovate the electrical systems in three branch libraries; and to purchase books, computer equipment and software, materials and supplies, furniture, fixtures, and equipment to support library programs, for FY 1999-2000.

**Amount:** \$857,878

**Source of Funds:** Library Preservation Fund

**Description:** The subject ordinance would authorize the expenditure of \$857,878 in FY 1999-2000 Library Preservation Funds on:

- The purchase of furniture, fixtures, and equipment for a relocated Ingleside Branch Library (\$145,000);
- The renovation of electrical systems in three branch libraries (\$402,000);
- The purchase of books (\$135,378) for various library locations; and
- The purchase of computer equipment and software, materials and supplies, furniture, fixtures, and equipment to support library programs (\$175,500).

**Budget:** A summary budget is shown below.

<u>Expenditure Item</u>	<u>Amount</u>
Furniture, fixtures, and equipment for new Ingleside Branch Library location	\$145,000
Branch library electrical systems renovation	402,000
Purchase of books	135,378
Purchase of computer equipment and software, materials and supplies, furniture, fixtures, and equipment for various library locations	<u>175,500</u>
<b>TOTAL</b>	<b>\$857,878</b>

**Comments:**

1. According to Mr. George Nichols of the Public Library, the subject funding in the amount of \$857,878 is available to the Library through the Library Preservation Fund because of increased revenue from two sources. This increased revenue became available after the Board of Supervisors had approved the Public Library's FY 1999-2000 appropriation. These two revenue sources are:

- (1) Proposition E Property Tax revenues which increased by \$724,000. Under the subject ordinance, the Public Library would expend \$449,500 of these increased revenue funds for the purchase of furniture, fittings, and equipment for the relocated Ingleside Branch Library (\$145,000), and branch library electrical system upgrades (\$304,500); and
- (2) The State increased its State Public Library Fund allocation to the City by \$408,378. Under the subject ordinance, the Public Library would use this increased funding for the purchase of books (\$135,378), branch library electrical system upgrades (\$97,500), and miscellaneous equipment, materials, and supplies for various library programs (\$175,500).

2. Mr. Nichols states that the Public Library proposes to relocate the Ingleside Branch Library in November of 2000 from its current 1,975 square foot site at 387 Ashton Avenue to a new 5,000 square foot site at 1649 Ocean Avenue. The current lease at 387 Ashton Avenue expires on November 30, 2000. The landlord intends to increase the building's rent from the current \$1.08 per square foot (\$2,133 per month) to bring it into line with the fair market value for commercial space in the area which is estimated by the Department of Real Estate to be between \$1.75 and \$2.00 per square foot (approximately \$3,456 to \$3,950 per month). In addition, Mr. Nichols states that 387 Ashton Avenue (a) has an inadequate electrical system to handle the technology improvements slated for the branch libraries, (b) is not fully compliant with the requirements of the Americans with Disabilities Act (ADA), (c) has very little space for reading, studying, public access computers, or public programs, and (d) cannot be expanded.

By contrast, Mr. Nichols states that the proposed 1649 Ocean Avenue building (a) is a more visible location for the branch



library and has the support of the local community, (b) has approximately 153 percent more space, and (c) can be made fully compliant with ADA requirements. The Department of Real Estate is currently negotiating a ten year lease for 1649 Ocean Avenue which would include:

- tenant improvements to be constructed by the landlord at an estimated cost of \$250,000 which comprises (a) \$150,000 for ADA compliance upgrades, and (b) \$100,000 for other tenant improvements; and
- an estimated monthly rent of approximately \$1.46 per square foot (\$7,300 per month) which comprises (a) a base monthly rent of \$1.20 per square foot (inclusive of ADA compliance upgrade costs), plus (b) \$0.26 per square foot for the other tenant improvements.

Separate legislation seeking authority to enter into the proposed lease for 1649 Ocean Avenue is expected to be submitted to the Board of Supervisors on April 24, 2000.

3. The estimated cost of furniture, fixtures, and equipment for the 1649 Ocean Avenue location is \$145,000, as shown in the budget contained in Attachment I, provided by the Library. According to Mr. Nichols, the Library's FY 2000-2001 budget request includes (a) \$49,300 to fund additional furniture, fittings, and equipment purchases for 1649 Ocean Avenue, and (b) funds to cover the additional rent costs. Mr. Nichols states that existing furniture, fittings, and equipment being used at the Ingleside Branch Library's Ashton Street location which can be salvaged would, wherever possible, be either reused at the Ocean Avenue location, redistributed to other branch libraries that might be able to use them, or turned over to the Purchasing Department as surplus property.

4. As the proposed lease for 1649 Ocean Avenue is not due to be submitted to the Board of Supervisors until April 24, 2000, the Budget Analyst recommends that \$145,000 for furniture, fixtures, and equipment at the 1649 Ocean Avenue location be reserved pending Board of Supervisors approval of the proposed lease.

5. According to Mr. Nichols, the Library has conducted electrical sufficiency studies for 22 of its branch libraries and



DPW has developed cost estimates for the first three projects. The proposed budget of \$402,000 would provide money to upgrade the electrical systems of the Anza, North Beach, and Richmond Branch Libraries. According to Mr. Nichols, upgrading the electrical systems of these three branch libraries is the first stage in a multi-year program to upgrade the electrical systems of at least six branch libraries annually, until all 22 branch libraries' electrical systems have been modernized<sup>1</sup>. Such modernization would facilitate the increased use of electrical devices in the branch libraries (for example, public access and staff computers, printers, and copiers, cash registers, receipt printers, fax machines, and book security systems), and would ensure public and staff safety.

Mr. Nichols states that the electrical system upgrades would be performed by private contractors and that the contracts would be awarded through a competitive bid process managed by DPW. The three branch library upgrade projects would be completed in FY 2000-2001.

6. Attachment II, provided by the Library, contains an expenditure breakdown in the amount of \$712,878 (the proposed appropriation of \$857,878 less \$145,000 for furniture, fixtures, and equipment at the relocated Ingleside Branch Library) for (a) the three branch library electrical system upgrades (\$402,000), (b) the purchase of books (\$135,378), and (c) the purchase of equipment (\$175,500). According to Mr. Nichols, the Public Library anticipates that it will be able to spend or encumber all these funds in FY 1999-2000.

- Recommendations:**
1. Amend the proposed ordinance to reserve funds in the amount of \$145,000 for furniture, fittings, and equipment at the Ingleside Branch Library subject to Board of Supervisors approval of the proposed lease for 1649 Ocean Avenue.
  2. Approve the proposed ordinance as amended.

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<sup>1</sup> In FY 2000-2001, the Public Library proposes to upgrade the electrical systems of the Bayview, Bernal Heights, Eureka Valley, Golden Gate, Potrero, and Visitacion Valley branch libraries.

## INGLESIDE BRANCH LIBRARY

### Furniture, Fixtures, & Equipment

Telecomm (moving data circuits, installing T-1 lines, DTIS infrastructure, telephone system move, equipment upgrades)	\$35,000
Intrusion alarm (exterior)	\$8,000
Upgrade kitchen, plumbing, cabinets, counter, appliances	\$6,000
Exterior and interior signage	\$8,000
Moving and shelf installation	\$16,000
Shelving	\$10,000
Modify and move existing reference/circulation counter/desk (OVI model)	\$10,000
Modify door hardware	\$2,000
New Public area tables and chairs	\$20,000
Project management fees (DPW-BOE)	<u>\$30,000</u>
<b>Total</b>	<b>\$145,000</b>

4/17/00

PUBLIC LIBRARY  
FY 1999-00 SUPPLEMENTAL FUNDING REQUEST

**Branch Electrical Renovations**

	Anza	North Beach	Richmond	Total
400A, 120/208V, 3 ph, 4W & Ground	\$0	\$0	\$4,000	\$4,000
200A, 120/240V, 1ph, 3W & Ground, Load Center	\$2,000	\$2,000	\$0	\$4,000
225A, 42 ckts, Lighting Panel	\$4,050	\$5,400	\$4,050	\$13,500
Flush Floor Outlets	\$20,000	\$8,400	\$13,600	\$42,000
Wall Duplex Outlets	\$4,375	\$4,375	\$2,100	\$10,850
Ten feet wiremold	\$600	\$60	\$60	\$720
12 feet Tele/Power Pole	\$800	\$800	\$800	\$2,400
Security relocation and reconnection	\$5,000	\$5,000	\$5,000	\$15,000
Demolition, Repair, Painting	\$10,000	\$10,000	\$10,000	\$30,000
Misc. electrical	\$5,000	\$5,000	\$5,000	\$15,000
Design Scope Contingency	\$5,182	\$4,103	\$4,461	\$13,746
Escalation (2%)	\$1,140	\$903	\$981	\$3,024
General Condition & Fee	\$8,722	\$6,906	\$7,508	\$23,136
Transformer Pad	\$0	\$0	\$5,000	\$5,000
PG&E Transformer and Service Costs	\$0	\$0	\$80,000	\$80,000
PG&E Coordination and Meter Relocations	\$750	\$750	\$750	\$2,250
Construction Contingency	\$10,143	\$8,055	\$21,497	\$39,695
<b>Subtotal</b>	<b>\$77,762</b>	<b>\$61,752</b>	<b>\$164,807</b>	<b>\$304,321</b>
DPW Project Support (Design, Construction, Project Mgt.)	\$29,560	\$29,560	\$29,559	\$88,679
Contract Preparation, Specifications, DHR	\$3,000	\$3,000	\$3,000	\$9,000
<b>TOTAL</b>	<b>\$110,322</b>	<b>\$94,312</b>	<b>\$197,366</b>	<b>\$402,000</b>

**Books & Materials**

Purchase replacements for lost or damaged books	\$30,378
Foreign language materials	\$42,000
Create abridged audiobook collection for Branch System	\$24,000
Video tapes for Branch System	\$34,000
Oceanview Opening Day Collection	\$5,000
<b>Total</b>	<b>\$135,378</b>

**Equipment, Materials, & Supplies**

Collection Assessment	\$24,000
Cash Registers & Receipt Printers for Branch Libraries	\$41,000
Supplies for Receipt Printers and Cash Registers	\$5,000
Disability Training	\$2,000
Time-out Software	\$2,500
Remote Distribution Software	\$50,000
Deselected Materials Distribution	\$15,000
Ergonomic Furniture and Supplies	\$10,000
Beta-Cam Video Recorder (Media Services)	\$10,000
LCD Projector (Media Services)	\$10,000
Deaf Tapes -- Transfer to VHS format	\$6,000
<b>Subtotal</b>	<b>\$175,500</b>

**GRAND TOTAL****\$712,878**

Item 22 – File 00-0623

**Department:** DPW Bureau of Engineering  
DPW Bureau of Construction Management

**Item:** Resolution concurring with the Controller's certification that security services can continue to be practically performed at the Department of Public Works by a private contractor for lower cost than similar work services performed by City and County employees.

**Service to be Performed:** Security services at Department of Public Works facility

**Description:** Charter Section 10.104 provides that the City may contract with private firms for services which have been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for the security services for FY 1999 - 2000 would result in estimated savings as follows:

	Lowest	Highest
City-Operated Service	Salary	Salary
<u>Costs</u>	<u>Step</u>	<u>Step</u>
Salaries	\$49,308	\$58,228
Fringe Benefits	<u>15,124</u>	<u>16,527</u>
Total	\$64,432	\$74,755
<u>Contractual Services Costs</u>	<u>40,560</u>	<u>40,560</u>
<u>Estimated Savings</u>	\$23,872	\$34,195

**Comment:** 1. Mr. George Thoppil, of the Department of Public Works (DPW), reports that security services have been continuously provided by an outside contractor since 1991. The contract has been renewed twice since that time, and has been certified as required by Charter Section 10.104 for each contract renewal.

2. The subject security services would be provided for DPW's Bureau's of Engineering and Construction Management located at 1680 Mission Street.

3. According to Mr. Thoppil, the original contract with McCoy's Patrol Service was for the three-year period of February 1, 1991 through January 31, 1994. The contract was renewed for the three-year period from February 1, 1994 through January 31, 1997. The contract was renewed again for the two-year eleven-month period of February 1, 1997 through December 31, 1999. Since the expiration of the contract on December 31, 1999, the contract has been continued on a month-to-month basis.

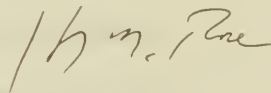
4. According to Mr. Carlos Chavez, Senior Purchaser of the Purchasing Department, if the subject resolution is approved, the purchasing department will issue a Request for Bid for the guard services contract.

5. The Controller notes that the Contractual Services Costs used for the purpose of this analysis is based on the existing contractor's actual costs for FY 1999 - 2000.

6. The Controller's supplemental questionnaire with the Department's response is shown in the Attachment to this report.

**Recommendation:**

Amend the proposed resolution to provide for retroactivity and approve the proposed resolution as amended.



Harvey M. Rose

Supervisor Yee  
Supervisor Bierman  
President Ammiano  
Clerk of the Board  
Controller  
Steve Kawa

## CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: PUBLIC WORKS

CONTRACT SERVICES: Security Guard Service

CONTRACT PERIOD: 01/01/00 to 31/12/02

- (1) Who performed the activity/service prior to contracting out? Certain private contractor was performing for the previous occupant. This building was acquired by the City and opened out for these Bureaus since 1991.
- (2) How many City employees were laid off as a result of contracting out? None
- (3) Explain the disposition of employees if they were not laid off. Not applicable. Current contractor was engaged since the commencement of operation of the Bureaus in 1991.
- (4) What percentage of City employees' time is spent of services to be contracted out? None
- (5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out? 8 years - ongoing.
- (6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year? 1990-91. Every three years.
- (7) How will the services meet the goals of your MBE/WBE Action Plan? Current contractor has MBE/WBE status.
- (8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided? No. They do not at the present time per existing contract. However, the contractor provides health insurance for employees for newer contracts with other City Departments like DHR.
- (9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance? Yes. They are in compliance of 12-B Ordinance

Department Representative: George Thoppil

Telephone Number: (415) 554-8356











